



## Minutes

### NASHVILLE METROPOLITAN TRANSIT AUTHORITY

#### BOARD OF DIRECTORS MEETING

September 27, 2018

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- I. **CALL TO ORDER:** The regular meeting of the Nashville Metropolitan Transit Authority (Nashville MTA) Board of Directors was held at the Metro Nashville Police Precinct, located at 5500 Charlotte Pike, Nashville, TN 37228 on Thursday, September 27, 2018. Present were: Gail Carr Williams, Chair, Janet Miller, Vice Chair; Walter Searcy, Member; Hannah Paramore Breen, Member; Glenn Farnar, Member; Secretary Margaret Behm; and Chief Executive Officer Stephen G. Bland. A quorum was established, and Chair Williams called the meeting to order at 2:33 p.m.
- II. **APPROVAL OF MINUTES:** Proper motion was made and seconded to approve the minutes of the August 23, 2018 Board of Directors meeting. There were no additions or corrections, and the vote of approval was unanimous.
- III. **PUBLIC COMMENTS:** Chair Williams opened the floor for public comments. The public was reminded that comments were limited to three minutes. The following members of the public addressed the Board with these comments:

**Darius T. Knight, Madison, TN:**

- Mr. Knight stated that the ambient color on the displays on the 1700-1800 series buses need to be changed to white.
- Mr. Knight stated that the new buses are not being cleaned properly; they are in terrible condition.
- Mr. Knight noted that there was ink written on the back of bus #1813 (route 10).
- Mr. Knight suggested that the floors on the new buses be changed to a dark grey versus the light grey.
- Mr. Knight stated that he is still seeing consistent maintenance issues that he's previously reported.
- Mr. Knight stated that he noticed that the color scheme at WeGo Central on the first level reminds him of Greyhound. He made a suggestion that we keep all of our colors the same as the new WeGO color scheme: purple, grey, white and black.

**Mr. John Bull, a frequent rider:**

- Mr. Bull stated that he was glad to hear that the day usage numbers are up.

- Mr. Bull requested that we work in one more schedule at 11:15 p.m. to accommodate those people that work late night shifts.
- Mr. Bull stated that he was impressed with the progression of the grants.

**Peter O'Connor, a frequent rider, Nashville, TN:**

- Mr. O'Connor stated that he liked that we hosted this board meeting at this Police Precinct.
- Mr. O'Connor requested that we schedule buses to run longer hours to accommodate people that they would like to get out, especially on the weekends.
- Mr. O'Connor requested that Customer Service be opened from the moment that the first bus leaves MCC to the last time a bus comes back in to MCC.
- Mr. O'Connor reported bus drivers being rude and the need for training in customer service.
- Mr. O'Connor reported motion sickness because drivers are creep stopping.

**James Thomas, a frequent rider, Nashville, TN:**

- Mr. Thomas cited a couple of instances with the following buses:
  - 351 – Passenger light not working
  - 650 – Marquee not working
  - 837 – Bus was pulled across the crosswalk lines as he was crossing the street
  - 1814 – Black male passenger was drinking alcohol in the back of the bus
  - 871 – He expressed his frustration with having to hold his cart and not being able to place his cart in the handicap area.
  - At least eight of the downtown marquees are not working

There were no other public comments at this time.

**IV. OPERATIONS & FINANCE COMMITTEE REPORT:** Chair Searcy reported on the following:

- a. MTA/RTA Contract Renewal for Regional Transit Services (A-18-027):**  
 Each year, the Nashville Metropolitan Transit Authority (Nashville MTA) contracts with the Regional Transportation Authority of Middle Tennessee (RTA) to provide regional transit services, Davidson/Rutherford County Relax & Ride services to Murfreesboro, Tennessee as well as connecting bus services to support the commuter train service for the Music City Star in Nashville, Tennessee.

In June 2018, the Nashville MTA Board approved a three-month extension to the FY2018 contract as a result of the RTA Board requesting a more detailed cost analysis to better understand the basis for the cost being charged for the service. We are requesting a 3% increase for the new fiscal year, which would take the hourly rate from \$106.28 to \$109.47

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 new contract for regional bus service between Davidson and Rutherford counties (Routes 84X, 86X, and 96X), the RTA will pay the Nashville MTA for up to 59.99 hours of daily service at a rate of \$109.47 per hour, or an amount not to exceed \$1,668,044, 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 \$106.28 to \$109.47 per hour. Routes 84X (Murfreesboro Express) and 86X (Smyrna/La Vergne Express) provided by Nashville MTA are similar to other RTA Relax and Ride routes insofar as they operate limited-stop service during peak hours only on limited access highways, utilizing “over the road” commuter coaches. Route 96X (Nashville/Murfreesboro Relax & Ride) more closely mirrors Nashville MTA urban transit service to the extent that it operates local urban transit service (beyond Bell Road to Murfreesboro) along arterial streets with frequent stops using heavy-duty city transit coaches.

**Contract 2** – Under this new contract for connecting bus services for Davidson County, the RTA will pay the Nashville MTA for up to 6.23 hours of daily service at a rate of \$109.47 per hour, or \$174,618, covering the 254 days of weekday transit service contained in the contract. This also 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 \$106.28 to \$109.47 per hour. This service – Route 93 Music City Star/West End Shuttle – is similar to the Route 96X insofar as it is local, urban transit service.

The Operations & Finance Committee recommended that the Board approve the renewal of Contract 1 for regional bus services and Contract 2 for connecting bus services supporting commuter rail. Both of these contracts with the RTA are for a period of one year beginning July 1, 2018 through June 30, 2019 for the following base amounts:

- Contract 1 for a not-to-exceed amount of \$1,668,044 for regional bus service; and,
- Contract 2 for \$174,618 for connecting buses supporting commuter rail.

Board Chair Williams asked that this board action item be reflected in the minutes and that a copy of the board action item in its entirety be attached to the minutes (see attached).

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

- b. MTA/RTA Management Contract Renewal (A-18-028):** In June 2018, the Nashville Metropolitan Transit Authority (Nashville MTA) Board approved a three-month extension to the FY2018 management contract with the Regional Transportation Authority of Middle Tennessee (RTA) as a result of the RTA Board wanting additional information from Nashville MTA justifying that the proposed management contract increase to \$827,400 was reasonable.

Nashville MTA is currently operating under a management contract with the RTA in which we provide management services overseeing all operations of the RTA. The current contract was approved by the Board in 2016 for five years with an expiration of June 30, 2021. The current annual contract value is \$803,400. We have proposed a 3% increase for a total annual contract of \$827,520 which has been included in the FY2019 budget. The contract terms include a provision that allows the compensation in the contract to be adjusted beginning July 1, 2017 and each year thereafter for the life of the contract by mutual agreement of both parties. The contract states that “MTA Staff will provide executive leadership and administrative support for the RTA to carry out Financial Duties and Administrative Duties as provided herein, which shall include but not be limited to, operations, maintenance and acquisition of properties, finances, facilities and equipment, and the employment of personnel, or contracting for services, and the execution and implementation of RTAMT powers and duties set forth in Tennessee Code Annotated §§64-8-101 et. Seq and 64-8-201, et. Seq. all of which MTA is authorized to undertake and accomplish.”

The contract value has historically been calculated based upon a portion of the Nashville MTA staff’s time spent on RTA matters. An analysis was performed looking at what percentage of time the management fee represented of the total wages of specific Nashville MTA departmental staff that spend time on RTA business. FY2015 through FY2017 management fees represented approximately 17.6%, 18.2%, and 17.1%, respectively, of total wages incurred by Nashville MTA departments identified that spend time on RTA business. The budget year of 2018 represented approximately 15.7% of staff time dedicated to RTA business while the FY2019 budget year reflects approximately 15.5%. Although this may seem out of proportion with the overall size of RTA operations compared to the combined Nashville MTA/RTA system (RTA carrying 6.4% of combined riders, and expending approximately 10.6% of the combined agency operating budgets), the overwhelming majority of the Nashville MTA’s expenses are incurred in the direct operation of transit service, and the level of administrative support for RTA is actually quite high.

The attached list, while not exhaustive, gives a good representation of the functions and tasks being performed for RTA by Nashville MTA staff.

While the attached is not a completely exhaustive list of duties and responsibilities, it demonstrates the value RTA receives for the management services provided by Nashville MTA staff. If you look at total budgeted general and administrative costs for RTA including the management fee and other administrative expenses (i.e. audit expense, legal expense, etc.), it totals approximately \$1.6 million, or 15.8%, of RTA’s total budgeted operating costs. In an effort to assess “reasonability” of this figure, we reviewed the administrative load of peer agencies comparable to RTA using data from the National Transit Database. Identified peers were based on those agencies that:

- Operate both bus and commuter rail service;

- Are of similar scope and scale as RTA ( less than \$100 million annual operating budget); and,
- Contract out all (or a significant portion) of their operations.

Based on this analysis, the following RTA peers were identified, along with the percentage of budget absorbed in administrative expenses:

- Regional Transportation Authority of Middle Tennessee 15.8%
- Central Florida RTA (Orlando, FL) 19.6%
- Denton County Transportation Authority (Denton, TX) 23.3%
- Capital Metropolitan Transit District (Austin, TX) 27.9%
- North County Transit District (San Diego, CA) 28.2%
- Rio Metro Regional Transit District (Albuquerque, NM) 28.5%

The Operations & Finance Committee recommended that the Board approve the new management contract amount for Nashville MTA to manage and oversee all operations of the RTA at an annual cost of \$827,400, or \$68,960 per month. The contract price shall become effective July 1, 2018 and terminate June 30, 2021.

Board Chair Williams asked that this board action item be reflected in the minutes and that a copy of the board action item in its entirety be attached to the minutes (see attached).

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

- c. **Resolution for FY2019 Annual Grant Applications (A-18-029):** The Nashville MTA has the authority to receive federal, state, and local financial assistance for transportation projects.

In order for Nashville MTA to apply and receive federal funds, Nashville MTA must comply with Federal Certifications and Assurances and annually submit compliance in accordance to these terms.

Federal Transit Administration (FTA) formula funding sources are as follows:

**5307 Urbanized Area Formula Funds**

When the apportionment is made available, Nashville MTA is eligible to use 5307 Urbanized Area Formula Funds, along with the 10% State and 10% Local match. The FY2018 apportionment for the region, combined with the State and Local match, is \$28,630,584.

**5339 Bus and Bus Facilities Formula Funds**

Nashville MTA is eligible to use Bus and Bus Facilities Formula Funds. The FY2018 apportionment for the Nashville Urbanized Area, combined with State and Local match, is \$2,161,193 (80% Federal/10% State/10% Local).

**5310 Enhanced Mobility of Seniors an Individuals with Disabilities Program**

### **(EMSID) Funds**

Nashville MTA is eligible to receive EMSID funds for projects that will enhance mobility for seniors and persons with disabilities beyond traditional services that are part of a locally developed and coordinated public transit human services transportation plan. At least 55% of the program funds must be used on capital projects and require a 20% State/Local match; operating assistance requires a 50% State/Local match. The FY2018 Federal apportionment is \$760,654 (Federal amount).

The Tennessee Department of Transportation (TDOT) funding sources are as follows:

### **Operating Assistance**

Nashville MTA is eligible for State operating assistance from TDOT. The amount for FY2019 is \$4,904,300.

### **Match Assistance**

Nashville MTA can request a 10% match from TDOT for all federally executed awards for formula funding of capital or planning projects.

### **IMPROVE Act Assistance**

Nashville MTA can request up to \$3 million (requires a 25% match) for capital projects that support public transportation services.

The Operations & Finance Committee recommended that the Board:

- Adopt the attached resolution;
- Authorize the application for 5307, 5339, and 5310 funding and State/Local match;
- Authorize the submittal of application for State Operating Assistance; and,
- Authorize the submittal of applications and execution of contracts for any other federal, state, or local grant funding that may become available during FY2019 for the benefit of Nashville MTA.

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

#### **d. Trapeze Group Sole Source Support/Warranty and Maintenance (A-18-030):**

Trapeze Group enterprise software and hardware products are used by WeGo Public Transit for a variety of operations, including route scheduling, fixed-route operations, Access, payroll, real-time information, call center operations, and customer information. Each year, Trapeze Group provides notice of its warranty and maintenance fees for the various products the company provides.

In October 2017, the Nashville MTA Board of Directors approved sole source support/warranty and maintenance expenses for Trapeze software products for the FY2018 operational budget in the amount of \$699,272. For FY2019, the sole source support/warranty and maintenance expenses for the same level of support provided by Trapeze Group total \$730,000.

In addition, future software and hardware purchases are required to maintain and improve WeGo services. These capital and/or operational expenses have been calculated not to exceed \$700,000. Future software and hardware enhancements include, but are not limited to, Trip Broker (\$300,000); custom interfaces for third-party service providers (\$50,000); Transit Signal Operational improvements (\$100,000); transfer Computer Aided Device/Automatic Vehicle Location (CAD/AVL) hardware to new vehicles (\$100,000); ViewPoint Business Intelligence for analytical reporting; and software enhancements, such as payroll, support/maintenance and replacement parts. These software and hardware purchases would be made based on available funds.

The Operations & Finance Committee requested that the Board approve to enter into a sole source support/warranty and maintenance agreement in order to maintain the level of maintenance support under Information Technology operations, we request for \$730,000 with an additional not to exceed amount of \$700,000 for future enhancements for a total of \$1.43 million.

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

V. **NEW INITIATIVES AND COMMUNITY ENGAGEMENT COMMITTEE REPORT:** Chair Miller reported on the following:

- a. **FY2019 Operating Budget Update (A-18-031):** In June 2018, the Nashville MTA Board approved the FY2019 Operating Budget that was contingent upon receiving anticipated Congestion Mitigation and Air Quality (CMAQ) grant awards related to our West End corridor and Madison Express services. While the CMAQ funding was ultimately not awarded to WeGo, some one-time alternative funding for FY2019 was identified and is reflected in the attached updated FY2019 budget. We have also revisited our assumptions for advertising revenues based upon numerous discussions with the Board and have adjusted advertising revenues to reflect a more realistic target.

The overall proposed operating budget as compared to last year is still projected to increase approximately \$2.7 million, or 3.3%, to \$84.3 million in FY2019 from \$81.7 million in the FY2018 budget. The following summary highlights the changes and adjustments in revenues compared to the approved FY2019 operating budget:

Decrease in Advertising Revenue	(\$ 208,045)
Decrease in CMAQ and JARC	(\$1,847,570)
Additional Federal Reimbursements	<u>\$2,055,615</u>
Total Revenue Change	<u>\$ 0</u>

The New Initiatives & Community Engagement Committee recommended that the Board adopt the amended annual budgeted revenue totals for advertising, CMAQ and federal reimbursements as explained above for the FY2019 budget.

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

- VI. CHAIR'S REPORT:** Chair Williams expressed appreciation to CEO Steve Bland and the entire WeGO staff for hosting the American Public Transportation Association Annual (APTA) Conference. Ms. Williams added that she had a chance to attend a meeting with Chief Development Officer Julie Timm and Felix Castrodad regarding mobility in the Vandy area.

Chair Williams also expressed her appreciation to Billy Higgins for her hard work on grants. She is to be commended for a job well done.

In Chair Williams' final remarks, she read a thank you card that was sent by Kathy Owen, former Executive Assistant to CEO Bland and Board Liaison for the MTA and RTA Boards.

- VII. CEO'S REPORT:** CEO Bland reported the following to the Board:

1. At TDOT's request, we have submitted a proposal for funding to help mitigate the impacts of I440 reconstruction in the coming year. We anticipate that the additional congestion created by the project will slow down service in adjacent transit corridors and are asking for funds to help install recovery services.
2. Staff is working to advance a transit design guidelines document along with Public Works, Walk Bike Nashville, and other interested partners. The intent is to provide a tool for local government, developers and traffic engineers on how to best integrate public transportation into their developments and rights of way. An initial draft has been developed, and we are meeting with stakeholders to incorporate changes.
3. We have kicked off our Metro Employees Coordinated Giving Campaign for 2018 with Mornay Botha from our Training Department and Roosevelt Cobbs from Maintenance co-chairing the effort. At Metro's kickoff event this past month, we were recognized as one of the leading departmental contributors to the campaign.
4. This past week, we hosted about 2,500 public transportation professionals from around the world at the APTA Annual Meeting and Conference. Nashville Mayor David Briley greeted the attendees at their opening session, and a number of WeGo staff did presentations at various seminars and committee meetings. Mr. Bland gave special thanks to all our employees who staffed the host table, providing information and suggestions to conference attendees. He received extremely positive feedback on their efforts, and on the overall friendliness and professionalism of our employees, as many attendees chose to rider our service to explore Nashville.
5. Also during the course of the APTA Conference, Mr. Bland attended a half-day workshop conducted by the FTA covering the requirements of their recently promulgated regulations for the creation of Safety Management Systems for bus systems. The regulations require a systematic assessment of all risks and contributing factors to safety, in similar fashion to the Transit Asset Management (TAM) guidelines we have been advancing. Full compliance is required by July 20, 2020. With respect to our TAM Plan, the completed plan has been submitted to the MPO this month, and we will provide the Board with an overview in Committee next month.



6. Of course, for WeGo, the highlight of the conference was the announcement by the Acting Federal Transit Administrator that we are the recipient of a U.S. Department of Transportation (DOT) Bus and Bus Facilities Infrastructure Grant. This is a very competitive grant program, as DOT received \$2 billion eligible funding requests for \$366 million available. Our project was one of 107 funded and, at \$9,028,800, encompassed our full request and was the 10<sup>th</sup> largest award. In addition, TDOT announced that they would provide \$4.5 million in matching funds toward this project.
7. We are currently awaiting what projects we will have funded from the City's annual Capital Spending Plan (CSP). The CSP has been delayed this year, and will be a crucial piece of funding, not only projects in the Capital Plan you adopted last month, but in funding our operations by matching Federal Preventive Maintenance and ADA service grants. In the approved Capital Plan, we have four projects identified: (1) matches to State and Federal grants at \$4.5 million; (2) replacement AccessRide vehicles at \$1.915 million; (3) replacement fixed-route buses at \$16,050,000; and (4) \$10 million toward the construction of neighborhood transit centers. Tuesday's FTA and TDOT announcement reduced the need for Metro money for the fixed-route bus replacement program from \$16,050,000 to \$1,504,800. It is crucial that we receive the \$4.5 million to match our State and Federal grants, and the \$1.5 million to match FTA money. If we do not also receive money toward the neighborhood transit centers, we would defer these projects.
8. He is currently participating in strategic planning processes for the Airport Authority and the Convention and Visitors Corporation.
9. Work on Central renovations continues on schedule. We remain on target for a November reopening of the Center.
10. All 31 of our new WeGo transit coaches are now in service. We have started receiving delivery of the 19 AccessRide vans, and you can expect to begin seeing them in service in the coming weeks.
11. This past week, we announced a partnership with Lyft for a "Ditch your Car" promotion. Interested people can register at [ditchwithlyft.com](http://ditchwithlyft.com), and 50 winners will receive a WeGo monthly bus pass, \$300 in Lyft credits, a \$100 gift certificate to the Shelby Avenue Bicycle Company, and enrollment in a free bike riding class conducted by Walk Bike Nashville.
12. RTA Items:
  - a. We had a very well-attended celebration for the ribbon cutting at the Hamilton Springs Rail Station in Lebanon. The station is a focal point for the overall development, which features hundreds of multi-family units, an over-55 community, single family homes, and retail and commercial components.
  - b. Work continues with the Nashville Metropolitan Planning Organization on the South Corridor Study, examining transit options in the Maury/Williamson/Davidson County corridor.
  - c. We are in design for an expansion of the parking facility at Mt. Juliet Station, including pedestrian connectivity elements to the surrounding

neighborhood and to a planned multi-use development on the other side of the tracks from the station.

- d. Public Meetings are scheduled in Donelson, Mt. Juliet and Lebanon starting this evening to discuss proposed changes to the schedule for the Music City Star, including elimination of the Friday night round trip from Lebanon. This trip elimination is necessary in order to come into compliance with the conditions of our Limited Service Exception that allows us to defer the installation of positive train control – a \$20-25 million system.

**VIII. OTHER BUSINESS:** There was no other business to come before the Board.

**IX. ADJOURNMENT:** The meeting was adjourned at 3:11 p.m.