

NASHVILLE METROPOLITAN TRANSIT AUTHORITY
Board of Directors Meeting

June 27, 2019

- I. **Call to Order:** The regular meeting of the Nashville Metropolitan Transit Authority (Nashville MTA) Board of Directors was held at Music City Center, located at 201 5th Avenue South, Nashville, TN 37203 on Thursday, June 27, 2019.

Present: Gail Carr Williams, Chair; Janet Miller, Vice Chair; Hannah Paramore Breen, Member; Glenn Farner, Member; Walter Searcy, Member; Secretary Margaret Behm; and Chief Executive Officer Stephen G. Bland.

A quorum was established, and Chair Williams called the meeting to order at 2:40 p.m.

- II. **Approval of Minutes:** Minutes of the May 23, 2019 board meeting were approved.

- III. **Public Comments:** Chair Williams opened the floor for public comments. The public was reminded that comments were limited to three minutes. Listed below are those who came before the Board with public comments:

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|-----------------|------------------|----------------------|---------------------|
| James Thomas | James Brown | Kutonia Smith | Patricia Valladares |
| John Bull | Steve Reiter | Sam Petechala | Roger Wammack |
| Peter O'Connor | Nancy Lee Holmes | Darius Knight | Danny Mosely |
| Rhonda Clark | Michael Milliner | Delishia Porterfield | Brad Briskey |
| Buddy Hagerty | Emery Hartz | Sheila Hanson | Richard Forberg |
| Adam Nicholson | Patrick Neazer | Debra Duncan | Shelia Hood |
| Jessica Dauphin | Lindsey Ganson | Mr. Randolph | Kennith VanBuren |

Most comments made by members of the general public pertained to the Authority's pending package of fare increases and service reductions and adjustments. Many individuals spoke eloquently about their reliance on transit service for almost all of their transportation needs, and their discouragement that service eliminations would severely compromise their ability to access jobs, educational opportunities and other life necessities. Others spoke to their concern about specific route and service changes – both in terms of their own travel needs, but also out of a concern for the broader community and to acquaintances. Many expressed an even deeper concern that the underlying issues that led to the Authority's deficit would not be corrected, and that future years could see a repeat of this scenario. Several comments offered very specific suggestions with respect to routing and stop locations to help mitigate the negative impacts of the service reductions.

With respect to the proposed fare increase, while there was general recognition of the need to increase fares and a preference of fare increases over service reductions, there was significant concern expressed with respect to the impact of fare increases on low income riders – both on fixed route service and on Access. Several commenters recognized the need for a fare increase – but strongly believed that the proposed increase to Access fares in the revised proposal – from \$3.40 to \$4.00 was an excessive burden on customers with disabilities.

Some specific suggestions included:

1. A preference to preserve change cards, even if it meant increasing the fare to \$2 in lieu of the \$1.85 originally proposed.

2. Specific concerns for retaining services to Metro Nashville Public Schools.
3. Keeping service free on Jefferson Street (though many also supported reinstating a fare).
4. A general need to improve pedestrian crossings and other pedestrian safety enhancements to improve the bus riding experience, particularly given the necessity for more transfers under the pending service change proposals.
5. A concern over losing one-seat rides and forcing transfers where individuals retained service.
6. A general concern over the lack of funding for transit and a deep worry about potential future service reductions.
7. There was a comment suggesting that the date of the proposed fare increase be postponed from August 1 to August 2 in order to avoid discouraging riders from riding on an election day.

IV. Operations & Finance Committee Report: Committee Chair Searcy reported the following:

- a. **Liability Insurance (M-A-19-016):** In committee, Chief Financial Officer Ed Oliphant stated that every year our insurance broker shops the insurance market for renewal of the Nashville MTA's \$3 million liability policy with a \$100,000 deductible per occurrence. Inquiries were made of seven different insurance companies for the upcoming policy year effective July 1, 2019 through June 30, 2020.

Three companies did not provide quotes due to lack of interest in our fleet make-up or do not quote on municipal fleets, and another three replied that they could not compete with our current quoted prices.

The only quote received that met our scope was from our current insurance company, *RLI Insurance* (RLI), offering coverage with a \$3 million limit and a \$100,000 deductible per occurrence.

Based upon the information above, the Operations & Finance Committee recommended that the Board authorize the Chief Executive Officer to enter into a contract with RLI Insurance for liability coverage for the period effective July 1, 2019 to June 30, 2020 for \$3 million in coverage with a \$100,000 deductible for a premium of approximately \$884,220.

There was no further discussion. The vote of approval was unanimous.

- b. **MTA/RTA Contract Renewal for Regional Transit Services (M-A-19-017):** A positive working relationship has been established for many years between the Nashville MTA and the Regional Transportation Authority of Middle Tennessee (RTA) on regional transit programs.

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 commuter train service for the WeGo Star in Nashville, Tennessee. The RTA desired to renew these contracts for the period of July 1, 2019 through June 30, 2020. Since there are different funding sources for the regional bus services and the connecting bus services, two separate contracts were required.

The Operations & Finance Committee recommended to the Board to renew 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, 2019 through June 30, 2020 for the following base amounts:

- Contract 1 for a not-to-exceed amount of \$1,704,470 for regional bus services; and,
- Contract 2 for a not-to-exceed amount of \$175,174 for connecting bus services supporting commuter rail.

There was no further discussion. The vote of approval was unanimous.

- c. **RTA/MTA Contract Renewal for State EasyRide Services (M-A-19-018)**: The RTA and the Nashville MTA have established a positive working relationship over the years on the regional EasyRide program involving the State of Tennessee.

For several years, the Nashville MTA and the RTA 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 RTA. The Nashville MTA Board approved a new contract between the Nashville MTA and the State in last month's meeting for the EasyRide Program for July 1, 2019 through June 30, 2020 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.

Based upon the explanation above, the Operations & Finance Committee recommended to the Board to approve Nashville MTA to enter into a contract with RTA 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, 2019 through June 30, 2020.

There was no further discussion. The vote of approval was unanimous.

- d. **ITS MOA for Oracle DBA (M-A-19-019)**: The Metropolitan Government of Nashville and Davidson County Department of Information Technology Services (Metro ITS) provides WeGo Public Transit with information technology services. As part of this technology support, Metro ITS will host the servers for the new account-based fare collection system in their primary data center.

In addition to general licensing and support costs, the scale of the WeGo fare collection project requires Metro ITS to hire a new full-time Oracle Database Administrator. This position will be dedicated to support the first three years of the WeGo fare project implementation. Since it is anticipated that the required level of effort will decrease following initial implementation and burn-in, the percentage of work hours for this position required to support the fare project will be evaluated annually. If the position is no longer required in a full-time capacity for WeGo, an agreed-upon cost-sharing percentage would be established, or Metro ITS will assume full funding for this position. Over the three-year period, the maximum cost of this full-time position is expected to range from \$420,000 to \$534,000, depending

on whether the position is covered via a new Metro employee hire or contractor, respectively. The actual amount incurred by the Nashville MTA may be less depending on future agreed-upon cost-sharing percentages.

Based on the information above, the Operations & Finance Committee recommended to the Board to authorize the Chief Executive Officer to enter into a Memorandum of Agreement (MOA) with the Metropolitan Government of Nashville and Davidson County Department of Information Technology Services to fund a new full-time equivalent position of Information System Advisor 2 (serving as an Oracle Database Administrator) for up to three years for a not-to-exceed amount of \$534,000. Funding for year one of this position is available within the fare collection upgrade project capital budget. Funding for the position for years two and three will be allocated within the annual operating budgets for FY2021 and FY2022.

There was no further discussion. The vote of approval was unanimous.

V. New Initiatives and Community Engagement Committee Report: Vice Chair Miller reported the following:

- a. **Authorization for 2019 Fare Changes and Service Reductions and Adjustments (M-A-19-020)**: CEO Bland reviewed and explained the proposed changes and fare adjustment proposals needed to cover an estimated \$8.7 million operation budget deficit. The NICE Committee recommended to the Board the approval and adoption of all service and fare changes recommended by staff in the Committee report.

After the public comment period the Board amended the staff and New Initiatives & Community Engagement Committee recommendation. Walter Searcy moved, seconded by Janet Miller, that August 2, 2019 be the effective date of the changes, instead of August 1, 2019 based on comments from the public. The vote of approval was unanimous. Glenn Farner moved, seconded by Hannah Paramore Breen, that the Access rate be \$3.70, instead of \$4.00. This was, again, in response to comments from the public. The vote of approval was 4 in favor and none against with Walter Searcy abstaining.

Thus, the Board approved and adopted the service and fare changes as amended and described herein, summarized as follows:

- a. August 2, 2019: Fare increase associated with the \$2 base fare and elimination of pennies; the Access rate shall be \$3.70 instead of \$4.00
- August 2, 2019: Access on Demand would become a full service of WeGo Public Transit with a \$7 base fare, a 14-mile base distance, and shared rides (trip grouping) allowed on the service;
- September 29, 2019: Service changes including all recommended eliminations and modifications in the Service Changes table implemented;
- Summer 2020: Fare structure changes noted in item associated with implementation of new fare technology system; and,
- December 31, 2020: Elimination of change cards and magnetics from the fare system.

- b. **FY2020 Adoption of Continuation Budget (M-A-19-021)**: Over the last several months, there have been open discussions with the NICE Committee and the Nashville MTA Board regarding our FY2020 proposed operating budget and a projected \$8.7 million operating deficit. On June 18, Metro Council finalized their FY2019-20 Operating Budget, and with it, the level of operating subsidy to the Nashville MTA (which remains unchanged from last year). Given that the final package of service changes and fare adjustments (each of which having a significant impact on the operating budget) could not be finalized until the June meeting, staff could not prepare a final recommended operating budget in time for the June meeting.

Based on the explanation above, the NICE Committee recommended to the Board to approve a continuation budget based upon the current FY2019 Operating Budget until the approved service and fare changes can be incorporated into a final FY2020 Operating Budget. The final proposed FY2020 Operating Budget will be presented to the Board for consideration in the July 2019 or no later than the August 2019 Board meeting.

There was no further discussion. The vote of approval was unanimous.

- VI. **Chair's Report**: Chair Williams began her comments by congratulating Vice Chair Miller on her reappointment to a five-year term to the Nashville MTA Board.

Chair Williams thanked everyone for their public comments and for being a part of the process. She stated that these aren't decisions we like to make and that she was thankful for the staff that worked hard to minimize the negative impact of these service changes. She further stated that some of the decisions made today will be life-altering for some, but she knows that when funding is available in the future, we will be poised and ready to enhance and grow our service.

In closing, Chair Williams thanked Rita Roberts-Turner and Monica Howse for coordinating the meeting at the Music City Convention Center.

- VII. **CEO's Report**: CEO Bland reported the following to the Board:

- He called the Board's attention to pages 13 and 14 in the Committee packet which lists significant upcoming procurements. He said this information would be included in each month's packet and asked that they take a look and let us know if they are aware of any suppliers of the particular goods and services that we should contact.
- With respect to Neighborhood Transit Centers, he said we are continuing negotiations on property for the Clarksville Pike Center and are preparing an application for the highly competitive Build Act Program to fund construction. Last week, we received our environmental clearance from the United States Department of Transportation (USDOT) on this project, enabling us to expend Federal funds on this project as available. We are also advancing design for the Hillsboro Transit Center, in conjunction with the renovation of the school complex.
- He stated that earlier in the meeting the Board acted on service and fare proposals to address our projected budget shortfall for FY2020, and he thanked them. He said they had likely followed significant discussion at Metro Council regarding Budget and Finance Committee Chair Tanaka Vercher's alternate budget proposal. Although this proposal failed by one vote, we were heartened by significant support by numerous

council members to provide supplemental funding for transit. In particular, he wanted to thank Council Member Colby Sledge, who spearheaded this effort, and Members Anthony Davis, Erica Gilmore, Brett Withers, Freddie O'Connell and Burkley Allen, who all co-sponsored the supplemental funding for WeGo.

- WeGo hosted two candidate forums on transit for both incumbents and candidates for Metro Council. Turnout and discussion was very good, with about 25 attendees between the two sessions. He thanked Ms. Roberts-Turner and Eric Beyer for their preparation for these events.
- Mr. Bland stated that, earlier in the week, we hosted representatives from our Federal Transit Administration Region 4 Office for our regular quarterly review meeting. During their visit, we had the opportunity to take them on site tours of our Murfreesboro Road signal priority project, Nestor renovation project, Central renovation project, and our upcoming stop improvement project on Nolensville Pike. They were impressed with our progress and continue to be an excellent partner in advancing transit projects in Nashville.
- Our Nestor Renovation project is rapidly nearing completion and is turning out extremely well. He stated he would like to work with our Chair to incorporate a site tour into either our July or August Board meeting.
- This past month, we graduated our second Leadership Academy Class. About a dozen of our supervisory and middle-management staff completed six months of training and real-world problem solving, and we got to enjoy the fruits of their labor in presentation.
- Mr. Bland shared his appreciation to Vice Chair Miller for agreeing to be reappointed to another five-year term to the Nashville MTA Board. Metro Council acted on her appointment at the same meeting they adopted the FY2020 budget. Despite appearing before the Rules and Appointments Committee at the same time we were proposing significant service reductions and fare increases, the questions and demeanor of the committee made it clear how much respect she has with our Council members. She passed unanimously.
- Mr. Bland was pleased to represent both WeGo and the Tennessee Public Transportation Association (TPTA) at the retirement party of Arthur Bing, the long-serving Executive Director of the Clarksville Transit System. Mr. Bing has been a past chair of TPTA and an extremely capable and willing partner in our regional transit discussions. Mayor Pitts of Clarksville has asked Mr. Bland to serve on the search committee charged with finding a new Director for Clarksville Transit.
- RTA Items:
 - RTA met with consultants from HDR who are studying potential short-, medium-, and long-term improvements to the Star with a particular focus on increasing the number of trips provided. They will be concluding their efforts by the end of summer, at which time we will review their findings with the RTA Board and corridor partners.
 - Ten new commuter coaches will begin entering service over the next month on RTA's commuter services operated by Gray Line. Notably, they will be sporting the new WeGo Public Transit paint scheme.
- Finally, Mr. Bland announced to the Board that effective July 1, Trey Walker was being promoted to Chief Engineer. Apart from continuing his excellent work in the design and execution of our construction projects, he will assume full responsibility for oversight of all WeGo Public Transit facilities, including our buildings, stops and

shelters, and stations on the Star rail line. He will be reporting to me in this role, so he suggested both congratulations and sympathy were in order.

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

IX. Adjournment: The meeting was adjourned at 4:32 p.m.

Attested:

Gail Carr Williams
Chair

Margaret L. Behm
Secretary