

# NASHVILLE METROPOLITAN TRANSIT AUTHORITY

## Board of Directors Meeting

August 22, 2019

- I. **Call to Order:** The regular meeting of the Nashville Metropolitan Transit Authority (Nashville MTA) Board of Directors was held at WeGo Central, located at 400 Dr. Martin L. King Jr. Blvd., Nashville, TN 37219 on Thursday, July 25, 2019.

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

**Absent:** Hannah Paramore Breen, Member

A quorum was established, and Chair Williams called the meeting to order at 2:41 p.m.

- II. **Approval of Minutes:** Minutes of the June 27, 2019 and July 25, 2019 were approved.

- III. **Public Comments:** Chair Williams opened the floor for public comments. The public was reminded that comments were limited to three minutes.

### **Darius Knight**

Mr. Knight reported the following:

- He stated that we need to make sure that when we look at the data that we understand that the mobile payment data is only pulling from customers that have the NFC chip, and if the other customers don't have the NFC chip, it's not going to work.
- He stated that he's been riding different bus routes to see what it is that the bus drivers deal with on a regular basis. He's noticed that the same previously reported issues have not been addressed. He stated that the bus drivers and the customers are all frustrated because they keep reporting issues and nothing happens. He asked, what was the purpose of rebranding if we were going to continue to do the same thing.
- He asked WeGo Public Transit to take a look at our maintenance plan. He asked how we were going to do a better bus next year, much less the service changes at the end of September if our buses are not working correctly.
- We need to be honest and transparent about the real issues. If we continue to ask the drivers to report maintenance issues and nothing changes, we're going to continue to have driver shortage.
- In the future, he would like for us to notify the customers well in advance of possible service reductions.
- He reported that several buses are operating without air or poor air conditioning.

### **Jessica Dauphin**

Ms. Dauphin reported the following:

- She stated that she was present to represent Transit Alliance, which supports the work of WeGo Public Transit and they hope to see it flourish.
- Transit Citizenship Leadership Academy fall class is fast approaching and they are looking for community members to join the TCLA.

### **Sheila Hanson**

Ms. Hanson reported the following:

- She is allergic to smoke and has an issue with bus drivers smoking in the doorway of the buses. She asked if we could bring it to the bus drivers' attention that there is a certain distance that must be adhered to.
- She stated that the bus stop just past Harding needs a little help and the Haywood Lane is not ADA accessible.
- She stated that the Nolensville Dollar General stop is not on level ground, but there is another stop 50 ft. away that could be used in place of that bus stop.
- The Hickory Plaza and Old Hickory Blvd bus stop behind Kroger has been knocked down needs to be reinstalled.
- She would like for bus drivers to announce bus stops for every stop.

### **John Bull**

Mr. Bull reported the following:

- He's glad to see the Access on Demand (AOD) usage has adjusted over 8%.
- He'll be happy when the interstate construction will be complete.
- He's glad to hear that the bus safety numbers are up on the report.
- He's had issues with getting to the bus stop at Nolensville and Wallace – the pedestrian buttons and signals aren't working.
- He asked if the customers could have a summary statement on the new fare system, it might be an enhancement and incentive for them to register.

### **Glen Allen Graham**

Mr. Graham reported the following:

- The new bus shelters along the BRT routes have hitching posts, but don't have seating in them, why?
- The best kept secret in TN is about the bus route changes and what date all of this is going to happen.

### **Julie Timm**

Ms. Timm reported the following:

- She stated that she moved here three years ago from the state of Virginia and immediately fell in love with Nashville and is sad to be leaving. The energy and vibrancy of this community and this town is irreplaceable. The changes that this company has made have been remarkable, and a lot of the changes are due to the leadership of this board and Steve Bland.
- She expressed her gratitude and her honor to have been a part of these changes over the past three years. She said that she hopes that the public is aware of how much the leadership listens to what is said at the board meetings. The board, the leadership team and staff lives and breathes this agency, and the community and the benefits to them.
- She expressed how proud she was to have worked with the staff and how amazing and inspirational they have been in making the changes.

There were no other public comments to come before the board.

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

- a. **Body-on-Chassis Vehicle Replacement Purchase (M-A-19-024)**: In September 2017, the Board approved the Nashville Metropolitan Transit Authority (Nashville MTA) to enter into a three-year contract with two one-year options for the purchase of up to 135 Champion Body-on-Chassis Vehicles under the procurement contract labeled #2015561. Concurrent with Nashville MTA's efforts to operate within our fleet replacement plan, staff requests approval to order 19 replacement vehicles under the aforementioned Central States Bus Sales contract.

During the procurement evaluation process, several end-user departments (including Maintenance, Information Technology, Parts, Operations, Safety, and WeGo Access) re-evaluated the internal configuration of these vehicles to ensure optimal operating ease and safety for both operator and customers. Such items included, but were not limited to, revised seating arrangements, configuration of wheelchair restraints, and Trapeze software hardware and cabinetry install configuration. Due to these proposed adjustments, Nashville MTA will order one pilot bus to be produced and tested in-service for 30 days, in advance of order and assembly of the remaining 18 vans with Central States.

The Operations & Finance Committee recommended the Board to provide the Chief Executive Officer authority to approve the purchase of 19 replacement buses from Central States Bus Sales. The total value of this purchase is not to exceed \$2,933,850 (\$149,150 per van, in addition to spare replacement parts inventory costed at \$100,000). The cost per vehicle includes all ancillary equipment such as on-board Wi-Fi technology, cameras, and full Trapeze software installation.

Funding sources to support this purchase will be comprised of \$2,309,396 in FY2017 Metro Nashville Capital Spending Plan funds, \$69,384 in State match dollars and \$555,070 in Federal Section 5339 Bus and Bus Facilities funds.

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

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

Vice Chair Miller acknowledged and thanked Dan Freudberg for his presentation update on the Fare Technology Project. She stated and CEO Bland confirmed that it should be ready to roll out by the end of 2020.

- a. **FY2020 Proposed Operating Budget (M-A-19-025)**: In the June 2019 Committee and Board meetings, a continuation budget was adopted to maintain the authorized spending levels at the FY2018-19 level until the Board could finalize service cuts and fare increases adopted to offset an \$8.7 million budget deficit. The attached budget has incorporated the impact of the approved service cuts and fare increase along with an increase in additional federal capital reimbursement to balance the FY2020 proposed budget.

The overall proposed operating budget as compared to last year is projected to increase approximately \$820,000, or less than 1%, to \$85.1 million in FY 2020 from \$84.3 million in the FY 2019 budget. This small increase net of the service cuts is largely reflective of inflationary increases in expenses along with several larger increases related to a 21.1% increase in fuel costs related to our fuel hedging contracts and health related expenses increasing approximately 9.0% as a result of our current health trends and actuarial analysis. We also had wage step increases related to our union contract and a 2.75% contractual wage increase resulting from our new collective bargaining agreement.

The following summary highlights the increases and decreases in revenues for this proposed budget compared to FY 2019:

Decrease in Fare & Contract Revenue, net	(\$484,800)
Increase in Non-Transportation Revenue	\$15,800
Increase in State Operating Revenue	\$73,600
Decrease in CMAQ and JARC	(\$1,728,400)
Additional Federal Reimbursements	\$2,944,400
Total Revenue Increase	<u>\$820,600.00</u>

- Over the last year, we have seen a decrease of approximately \$1.2 million in budgeted passenger fares, primarily as a result of a trend we are seeing from passengers utilizing more free transfers and an increase in the free homelessness program. Additionally, we have increased free circuit ridership related to folding in the former Route 29 Jefferson into the Blue Circuit route. We expect this trend to continue as rider habits change to maximize their benefits of WeGo's fare structure implemented during FY2018. The decrease in fare revenue is partially offset by an approved fare increase, as well as some new contract revenue. The fare increase raises the one-ride fare from \$1.70 to \$2.00 which became effective August 2, 2019. All other fare media will be adjusted relative to the one-ride fare. The fare increase is expected to generate approximately \$580,000 in net fare revenue. Contract revenues are also increasing as the result of additional service being paid for by the Regional Transportation Authority of Middle Tennessee (RTA) related to retaining a portion of the Music City Circuit route between Riverfront Station and WeGo Central that will be cancelled effective September 29, 2019 as a part of MTA's approved service cuts.
- Other Non-Transportation Revenues are increasing primarily as the result of a contractual increase in our parking contract for WeGo Central that is managed by Premier Parking. These increases are partially off-
- Set by a decrease in budgeted advertising revenue as a result of a decision to no longer allow fully wrapped buses in our advertising program for safety reasons.
- The increase in State operating revenues is based upon a confirmed award amount from the Tennessee Department of Transportation (TDOT) for FY2020.
- The decrease in Congestion Mitigation Air Quality (CMAQ) and Job Access Reverse Commute (JARC) is primarily due to TDOT electing not to award any CMAQ to MTA in the latest round of three-year CMAQ operating funds. We have historically been receiving this funding since 2012 to support bus service operations along West End Avenue (Routes 3 & 5) which was expanded in 2012. JARC funding is awarded annually by the Metropolitan Planning Organization. However, MTA is not guaranteed to receive any additional JARC awards for FY2020. JARC funding is used to support some services along the 10 Charlotte Pike, the 77 Thompson Lane Connector, and the 43 Hickory Hills.
- The anticipated increase in federal operating reimbursements is needed to offset decreases in other revenue sources. The increase is based upon an estimate of preventive maintenance and paratransit operating expenses eligible for reimbursement. Federal capital grant dollars are eligible to be converted into

operating revenue dollars to reimburse preventive maintenance expenses. We have additional expenses eligible to be reimbursed through our capital grant funding. The balance of the remaining federal 5307 capital formula funds after the operating reimbursement will be utilized for capital purposes. Use of funds for this purpose will reduce the amount of funding available for capital projects.

The following summary highlights the increases and decreases in expenses for this proposed budget compared to FY 2019:

- Labor and fringe related costs are decreasing as a result of the service cuts being implemented September 30, 2019. The service cut represents approximately 42,000 hours of service in FY20 and 57,000 hours on an annual basis. This will result in a reduction of approximately 27 driver positions and approximately six in maintenance, which would be accomplished through not filling current open positions. These decreases are partially offset by wage step increases for drivers as well as a 2.75% wage increase included in our current union contract, as well as some increases in budgeted overtime hours needed to cover service due to continued driver shortages. While the reduction in driver positions related to the service cuts improves the shortage issue, it does not completely solve the ongoing issue.
- The decreases in other fringe benefits, FICA, and pension expenses relate to the service reductions.
- The decrease in workers' comp is primarily due to the service reductions, as well as actuarial calculations reflecting improved experience from a decrease in the number of and severity of workers' comp claims over the last year.
- An increase in health care coverage is anticipated due to increased medical claim costs, administrative costs, and actuarial results. The increase was partially offset by the reduction in employees related to the service reductions.
- Increases in fuel costs are the result of new diesel and gasoline fuel hedging contracts along with anticipated increases in the open market costs for fuel. We hedge approximately 80% of our diesel and 75% of our gasoline consumption. Diesel contract prices are increasing from an average of \$1.82 per gallon this year to a new contractual diesel hedge price in FY2020 of \$2.22 per gallon. Unleaded fuel hedge prices are also increasing from an average of \$1.70 this year to an average contracted price in FY2020 of \$1.98 per gallon. This increase is slightly offset by decreased consumption of fuel due to improved fuel economy in our new replacement buses and paratransit vans received during FY2019 and the service reductions.
- The increase in security services relates to more focus being put on our security presence at WeGo Central, our main transfer facility, which had seen an uptick in security incidents over the past two years, and the need for additional coverage during the school year as students transferred at the facility. There was also an increase in our contractual rates contained in our contract with Allied Universal who supplies our unarmed security services.
- The increase in Taxi Overflow and Access on Demand Services is primarily due to an increase in our taxi overflow services and projected increases in our Access on Demand services. Also included is a 2% inflationary increase related to existing third-party provider contracts.
- The increase in Other Services is primarily due to entering into a new contract to maintain all camera equipment on our buses and paratransit vans, creating an

increase of approximately \$189,000. It also includes inflationary increases to software maintenance contracts amounting to approximately \$131,000. These systems reflect new technologies being brought online to enhance customer experience, such as real-time information, on-board Wi-Fi, etc.

- The decrease in parts maintenance relates to WeGo receiving 31 new buses and 19 paratransit vans during FY19 and receiving additional new buses and vans during FY20. The service reductions also contributed to the anticipated decrease in overall maintenance expense.
- The increase in utilities is primarily due to higher than anticipated natural gas usage in FY19 compared to what was budgeted and an increase in telecommunications expenses due to having a full year of Wi-Fi on our fleet compared to a partial year in FY19.
- The increase in property and liability insurance is directly related to our revenue fleet, including new buses and paratransit vehicles. Property damage premiums are directly proportional to total asset values of our revenue fleet.

The NICE Committee is requesting that the Board adopts the FY2020 budget as presented here.

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

In closing, Vice Chair Miller acknowledged and congratulated Board Secretary Margaret Behm, Jenny Nelson and Julie Moseley for recently being featured in the Tennessean. The article spotlighted the efforts that these women undertook in their careers to break through the glass ceiling and create opportunities for other women. These three ladies led a crusade for a women's room at the Nashville Public Library to commemorate and memorialize the ratification of the right for women to vote. Vice Chair Miller congratulated them again and stated that she was proud of their hard work.

- VI. Chair's Report:** Chair Williams began her comments by saying that it had been our honor to have Chief Development Officer Julie Timm serve with us; her work has been exemplary, and there will be so many lasting impressions that speak to the work that she's done here. She said that she was appreciative of the gifts that Julie Timm has shared with us. She admonished Ms. Timm to go forth and represent Nashville and WeGo Public Transit in meaningful ways. She also stated that it has been an honor to watch two of our own professional women to leave us to accept CEO positions in other states. It's a testament of CEO Bland's leadership in mentoring women into higher positions and his courage to go out to hire women in an industry that does not always do so intentionally as he has done. She congratulated both India Birdsong and Julie Timm and wished them the absolute best.

In closing, she thanked everybody for their hard work on the budget. She stated, it was a challenge for us to get to this point and she knows the challenges that it's going to be for our ridership and community. The budget reflects the reality of what we were dealt with and our care and commitment to Nashville, the citizens and our ridership; and we look for a different conversation next year.

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

- CEO Bland called everyone's attention to pages 11 and 12 in the Operations and Finance Committee packet, which lists significant upcoming procurements. He stated that we'll include this information in each month's packet and would ask that

everyone take a look and let us know if they are aware of any supplies of the particular goods and services that we should reach out to.

- With respect to our senior staff, the ranks continue to thin. Last month, we wished India Birdsong well as she left Nashville to assume the role of CEO for the transit agency in Cleveland. Just yesterday, Julie Timm was announced as the new CEO for the Greater Richmond Transit Company in Virginia. He stated that Julie will leave us in early September and asked if everyone would join him in wishing her well. With respect to these vacancies, we received over 50 applications for the COO role and just yesterday extended an offer to an outstanding candidate. In terms of Julie's position, the wound is still too fresh and CEO Bland be meeting with her staff over the next couple weeks to determine a direction for this position.
- This week, we have a consultant in Nashville to help us develop our Safety Management Systems Plan, or SMS Plan. The SMS Plan requirements come out of a new regulation from the FTA that intends to have transit safety mirror more of the practices you see in the aviation industry in terms of predictive analysis and risk mitigation. We are due to complete the plan by next summer.
- Staff met with representatives of Music City Riders United to discuss means of improving compliance with stop announcement policies. We will be advancing both retraining for Operators on their obligations to call out stops and examining technical solutions with our existing automatic annunciator systems.
- The Planning staff continues to develop various Better Bus spending scenarios service alternatives. We anticipate these scenarios to be finalized for review in late September to early October.
- The Murfreesboro Pike Project continues. All work is substantially complete, with the exception of several remaining software glitches that are precluding proper communication between transit and signal systems. The vendor continues to work to correct these deficiencies.
- Fare changes were implemented on August 2 in a relatively smooth fashion. The attention has now shifted to the September 29 service reductions, as outreach efforts will begin in earnest just after Labor Day.
- RTA Items
  - We are in the process of rehabilitating the 4 locomotives on the WeGo Star. The first of these has been completed and is on its way back to Nashville as we speak. Once it is tested in revenue service, the second locomotive will be sent out. We anticipate this project to extend through next year.
  - Yesterday, CEO Bland and Sumner County Mayor Anthony Holt attended a hearing before a Subcommittee of the Government Operations Committee of the General Assembly to review the RTA's Sunset Audit report from the Office of State Comptroller. As an outcome of this process, the committee is recommending that the RTA Authorizing legislation be extended for 4 years. This will come before the General Assembly during the next session.
  - We continue to partner with the Metropolitan Planning Organization on a South Corridor Study to examine transit options between Maury, Williamson and Davidson Counties. The consultant has completed initial public outreach and screening and is conducting second round public outreach over the next 2 weeks.

- We are working with HDR Engineers on a feasibility study for potential upgrades to the WeGo Star that could accomplish objectives such as additional trips, speed improvements and line extensions. HDR has produced a draft report that we are currently reviewing with RJ Corman and Transportation Solutions Group, the operator of the Star.
- At the request of Mayor Pitts of Clarksville, CEO Bland is participating on the search committee for the City's next Transit Director. Interviews will be conducted with 6 candidates next week.

**VIII. Other Business:**

Walter Searcy acknowledged that Mr. Cliff from the Nashville Urban League was present at the meeting.

**IX. Adjournment:** The meeting was adjourned at 3:15 p.m.