



**MINUTES**  
**REGIONAL TRANSPORTATION AUTHORITY**  
**JUNE 17, 2020**

I. **Call to Order:** The regular meeting of the Regional Transportation Authority of Middle Tennessee (RTA) Board of Directors was held at via teleconference on Wednesday, June 17, 2020. A quorum was established, and the meeting was called to order at 9:30 a.m. by Mayor Randall Hutto, Board Chair.

II. **Roll Call:**

**In Attendance Were:**

City of Belle Meade	Mayor Louise Bryan
City of Columbia	Thad Jablonski (Alt.)
City of Franklin	Mayor Ken Moore
City of Gallatin	Mayor Paige Brown
City of Hendersonville	Mayor Jamie Clary
City of Lebanon	Mayor Bernie Ash
City of Murfreesboro	Jim Kerr, Jr. (Alt.)
City of Spring Hill	Victor Lay (Alt.)
City of Westmoreland	Mayor Jerry Kirkman
City of White House	Gerald Herman
Davidson County	Faye DiMassimo (Alt.)
Dickson County	Mayor Bob Rial
Robertson County	Mayor Billy Vogle
Rutherford County	Mayor Bill Ketron
Sumner County	Mayor Anthony Holt
Wilson County	Mayor Randall Hutto
Governor Appointees	Ed Cole, Davidson County
	Darrell James, Dickson County
	Margot Fosnes, Robertson County
	Ed Elam, Rutherford County
	Kelly Dannenfelser, Williamson County
	Ken Davis, Wilson County
	Danny McDonald (Alt. for Comm. Clay Bright)

III. **Approval of Minutes:** Mayor Ken Moore made a motion to approve the January 15, 2020 minutes. The motion was seconded by Mr. Ken Davis and unanimously approved by the board.

IV. **Public Comments:**

a. Cheryl Lewis of Lebanon, TN stated that the temporary schedule for the 3<sup>rd</sup> train is not easily accessible online. Mayor Hutto stated that we would take the appropriate actions to resolve this matter.

V. **Audit Report:** Committee Chair Anthony Holt reported the following:

- a. **Selection of External Audit Services (R-A-20-003):** The FY 2019 audit year fulfilled the contract terms with Crosslin PLLC to provide audit services for RTA's financial statements. On February 7, 2020, RTA solicited requests for proposals mailing RFPs, advertising in the local paper, and posting on our website. Inquiries were received on the project by potential audit firms and we ultimately received five (5) qualifying proposals from the following accounting firms; Crosslin PLLC (Nashville, TN), Cherry Bekaert (Nashville, TN), Crowe LLP (Franklin, TN), Maudlin & Jenkins LLC (Chattanooga, TN) and Patterson, Hardee & Ballentine, P.C. (Franklin, TN).

An evaluation committee made up of Ed Oliphant, CFO, Shelly McElhaney, Controller and Marcia Mackie, RTA Accountant, reviewed all proposals based upon criteria outlined in the RFP which included qualification/experience (50%), technical approach (25%) and cost (25%). The committee came to the conclusion that based upon the criteria, the highest score was Crosslin PLLC and they should be recommended as RTA's auditors for a new 5-year contract. The scores were as follows:

Crosslin PLLC	281
Crowe LLP	278
Cherry Bekaert	268
Patterson, Hardee & Ballentine P.C.	253
Maudlin & Jenkins LLC	243

The RFP called for the terms of the contract to be for five years years. Crosslin proposed the following cost for the next five years:

FY 2020	\$23,800
FY 2021	\$24,500
FY 2022	\$25,300
FY 2023	\$26,000
FY 2024	\$26,800

The Audit Committee recommended the Board to enter into a five (5) year contract for annual external audit services with Crosslin PLLC with the contract allowing for either party to cancel the contract annually as opposed to option years.

Mayor Anthony Holt made a motion to approve the Selection of External Audit Services action item. The motion was seconded by Mayor Jerry Kirkman and unanimously approved by the board.

VI. **Finance:** Committee Chair Anthony Holt reported the following:

- a. **Monthly Financial Report Compared to Budget (R-D-20-004):** Chair Holt reported and reflected on the statement of operations for the month of April 2020 compared to the budget and balance sheet as of April 30, 2020. Chief Operating Officer Ed Oliphant was present to answer any questions. There were no questions at this time.
- b. **Fifth-Third Revolving Line of Credit & General Banking Services Renewal (R-A-20-004):** The Regional Transportation Authority of Middle Tennessee's (RTA) \$3 million line of credit with Fifth Third Bank was due to expire on March 31, 2020 and was also the expiration of our five-year agreement with Fifth Third Bank for the line of credit as well as RTA's general banking services. We went out to bid in November 2019 for a new five-year agreement and Fifth Third was selected

through the RFP process. However, the RTA Executive Committee was unable to meet in March to approve a new agreement due to the COVID-19 pandemic. After discussion with the bank and the bank receiving a letter from Board Chair Hutto giving assurances that an action item would be brought before the Board on the new five-year agreement before June 30, 2020, Fifth Third was willing to enter into a 90-day extension to the existing \$3 million loan with the current contract's interest rate of LIBOR plus 1.85% and a 0.35% non-use fee with a new expiration of June 30, 2020. We felt it was necessary to maintain the line of credit until such time as the RTA Board or Executive Committee could meet to approve a new five-year agreement.

The Finance Committee recommended that the Board authorize the CEO to enter into a five-year contract for general banking services and the first year of a five-year revolving line of credit agreement for up to \$5.0 million with Fifth Third Bank to begin on July 1, 2020 based upon the terms described above. Both the line of credit agreement and the banking services term will be from July 1, 2020 through June 30, 2025 with the line of credit being renewed annually due to banking rules.

Mayor Ken Moore made a motion to approve the Fifth-Third Revolving Line of Credit & General Banking Services Renewal action item. The motion was seconded by Mayor Billy Vogle and unanimously approved by the board.

- c. **RTA/MTA Management Contract Renewal (R-A-20-005)**: RTA is currently operating under a management contract with MTA in which MTA provides management services overseeing all operations of the RTA. The current contract was approved by the RTA Board in 2016 for five years with an expiration of June 30, 2021. The current annual contract value is \$827,520 that became effective July 1, 2018. The contract value has historically been adjusted 2% to 3% every two years to account for wage and inflationary increases absorbed by MTA since MTA does not charge RTA for any separate overhead expenses such as office space, utilities, materials and supplies, etc.

The Finance Committee recommended the Board to approve the new amount for the contract for MTA to manage and oversee all operations of the RTA at an annual cost of \$844,056, or \$70,338 per month. The contract price shall become effective July 1, 2020 and terminate June 30, 2021.

Mayor Billy Vogle made a motion to approve the RTA/MTA Management Contract Renewal action item. The motion was seconded by Mayor Ken Moore and unanimously approved by the board.

- d. **RTA/MTA Regional Bus Contract FY2021 Renewal (R-A-20-006)**: A positive working relationship has been established for many years between the Regional Transportation Authority of Middle Tennessee (RTA) and the Nashville Metropolitan Transit Authority (Nashville MTA) 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 desires to renew these contracts for the period of July 1, 2020 through June 30, 2021. Since there are different funding sources for the regional bus services and the connecting bus services, two separate contracts are required.

The Finance Committee recommended 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, 2020 through June 30, 2021 for the following base amounts:

- Contract #1 for a not-to-exceed amount of \$1,683,442 for regional bus service; and,
- Contract #2 for \$311,145 for connecting buses supporting commuter rail.

Mayor Ken Moore made a motion to approve the RTA/MTA Regional Bus Contract FY2021 Renewal action item. The motion was seconded by Mayor Billy Vogle and unanimously approved by the board.

- e. **RTA/MTA Contract Renewal for State EasyRide Services (R-A-20-007)**: The Regional Transportation Authority of Middle Tennessee (RTA) and the Nashville Metropolitan Transit Authority (Nashville MTA) have established a positive working relationship over the years on a regional EasyRide program involving the State of Tennessee.

For several years, the RTA along with the Nashville MTA 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 Nashville MTA. The State has agreed to a new contract with the Nashville MTA for the EasyRide Program for July 1, 2020 through June 30, 2021 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.

The Finance Committee recommended the Board approve for RTA to enter into a contract with the Nashville MTA 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, 2020 through June 30, 2021.

Secretary Ed Cole made a motion to approve the RTA/MTA Contract Renewal for State EasyRide Services action item. The motion was seconded by Mr. Ken Davis and unanimously approved by the board.

- f. **FY2021 Proposed Operating Budget (R-A-20-008)**: The attached proposed FY2021 operating budget is presented in a manner that holds current fare and service levels constant and does not require increased contributions from outlying cities and counties for this service. However, the current budget shortfalls being experienced by Metro Nashville have forced Mayor Cooper to propose a reduction of \$1 million to the RTA (MTA funding would also be cut by \$21.3 million). This would be offset by an infusion of Federal money through the CARES Act (more detail below). Mayor Cooper's Office and Metro's Finance Department have verbally indicated that he has every intention of restoring these funds in future years as Metro's financial condition improves.

While the proposed FY2020-21 budget is balanced, current conditions (specifically the COVID-19 pandemic and Metro's budget situation) present several structural challenges for the long-term. Staff would like to engage the Committee in significant discussion about short and long-term risk, and potential intervention

strategies. Additional background information is presented below.

The Finance Committee recommended the Board to approve the proposed FY2021 budget as well as the increase in the daily rental rates for Riverfront Station, with an authorization to advance this proposal to public hearing prior to final adoption by the RTA Board and/or Executive Committee.

Mayor Vogle asked for clarity on the proposed rate increase per day. Mayor Anthony Holt clarified that the rate increase would be \$5,000 a day, and \$10,000 per day if service is interrupted.

Mayor Ken Moore made a motion to approve the FY2021 Proposed Operating Budget. The motion was seconded by Mayor Jerry Kirkman and unanimously approved by the board.

- g. WeGo Star Liability Insurance Renewal (R-A-20-009):** We have been working with our insurance broker regarding the renewal of our \$30 million liability insurance coverage for commuter rail which is due to expire June 30, 2020. As stipulated within the Tri-Party Agreement between the Regional Transportation Authority of Middle Tennessee (RTA), Nashville & Eastern Railroad, and Nashville and Eastern Rail Authority, the RTA provides the first \$1 million through its own supplemental insurance reserve account. The remaining \$29 million per occurrence and \$58 million aggregate excess policy is what we receive pricing for each year. The current policy with Aspen Specialty Insurance and Liberty International Insurance companies had a total premium of \$417,997, which was a 2.8% increase from the prior year premium.

The upcoming year quotations will be somewhat different than in the past due to anticipated decreases in ridership for FY2021 due to the coronavirus. The main driver of liability insurance premiums is ridership exposure and last year's premiums were based on ridership of 280,000 annually. It is difficult to know how quickly the market will recover and what impact that will have on riders returning to the train. All the insurance carriers have a minimum (floor) they will charge for an annual premium and then have a true up at the end of the fiscal year based upon an audit of how many riders used the train.

The Finance Committee recommended the Board to approve the insurance policy for \$29 million of train liability insurance coverage (with a \$58 million aggregate) for the policy year from July 1, 2020 through July 1, 2021 to be awarded to Aspen Specialty Insurance and Liberty Surplus Insurance Corporation for a total base annual premium of \$327,600 with the caveat that if the annual ridership exceeds the benchmark of 193,689 rides, RTA will pay additional premium at a rate of \$1.65 per ride given over the benchmark. RTA will continue to provide the supplemental insurance reserve of \$1 million, making our total liability insurance coverage \$30 million.

Secretary Ed Cole made a motion to approve the WeGo Star Liability Insurance Renewal action item. The motion was seconded by Mr. Ken Davis and unanimously approved by the board.

- h. RTA/MTA EasyRide Program Revenue Sharing Agreement (R-A-20-010):** In November 2019, the Board authorized staff to work with Nashville Metropolitan Transit Authority (Nashville MTA) to develop a pilot program for the EasyRide Program that would both address the findings reported in Regional Transportation Authority of Middle Tennessee's (RTA) Comptroller of the Treasury audits and to expand usage of the program by corporations in the region. The EasyRide Program is an employer-paid transit pass program to provide employee commuter benefits on RTA and Nashville MTA services in Middle Tennessee under the name

WeGo Public Transit. The program has been used predominantly by the State of Tennessee, Vanderbilt University, Vanderbilt University Medical Center and Metro Nashville Public Schools with several other smaller users. The ability to promote the pilot program has been slowed by the COVID-19 pandemic but is ongoing with several models being tested on how to charge our corporate partners. The remaining piece to the EasyRide Program is how the revenues should be split between the two agencies. To remind the Committee, the following are the objectives of the program:

- All: Simplify program transportation benefits;
- All: Simplify program administration;
- All: Simplify program fee structure to better predict costs and revenues for annual budgeting;
- MTA/RTA: Protect existing program revenue;
- MTA/RTA: Grow program participation to increase overall ridership and operating revenue;
- MTA/RTA: Increase transparency between the two agencies on program revenue and ridership;
- Business Partners: Manage and reduce both direct and indirect transportation costs;
- Business Partners: Provide sustainable and competitive employee benefits.

The Finance Committee recommended the Board to enter into an EasyRide Program Revenue Sharing Agreement with Nashville MTA for the period July 1, 2020 thru June 30, 2021 based upon the formula explained above and that Nashville MTA will be the Master Contractor for the EasyRide Program and will share revenues with RTA based upon the calculated formula. Each Board will review the agreement on an annual basis to assess if any changes should be made to the Agreement going forward.

Mayor Paige Brown made a motion to approve the RTA/MTA EasyRide Program Revenue Sharing Agreement. The motion was seconded by Mayor Billy Vogle and unanimously approved by the board.

**VII. Operations Committee Report:** Committee Chair Jerry Kirkman reported on the following items:

**a. Monthly Operating Statistics (R-D-20-002):** Mayor Kirkman reported on the monthly operating statistics report through April 30, 2020. Director of Service Quality Dan Freudberg was present to answer any questions. There were no questions at this time.

**VIII. RTA By-Laws Amendment (R-A-20-011):** Chief Administrative Officer Rita Roberts-Turner reported the following:

The implementation of an Executive Committee by the Regional Transportation Authority of Middle Tennessee (RTA) has been instrumental in advancing city and county participation in meetings. However, some provisions in the current RTA bylaws impact the ability of the Executive Committee to timely conduct necessary RTA business in lieu of a full RTA Board meeting. In order to ensure a continued high level of participation and effectiveness, at its October 2019 meeting the Executive Committee directed staff and RTA legal counsel to review and recommend any beneficial amendments to the RTA bylaws, particularly as it related to:

- 1) Board Officers
- 2) Executive Committee Power and Authority

Per the Executive Committee's directive, staff and legal counsel recommended amendments to the following sections of the current RTA bylaws for purposes of clarifying language and/or to allow the Executive Committee to act as needed in place of the full RTA Board:

Article 1, Section 3: Authority, Purpose, and Office (Office)

Article 2, Section 1: Board and the RTAMT (Members of the RTAMT Board)

Article 2, Section 3: Board and the RTAMT (Meetings)

Article 3, Section 1: Officers (Number and Term)

Article 3, Section 2: Officers (Vacancies)

Article 4, Section 1: Executive committee

Article 4, Section 2: Executive committee (Membership of the Executive Committee)

Article 4, Section 3: Executive committee (Terms of Office)

Article 4, Section 5: Executive committee (Meetings)

Article 5, Section 1: Employment of Chief Executive Officer and Staff (Appointment of Chief Executive Officer)

Article 9, Section 3: Indemnification and Advancement of Expenses (Non-Exclusive Application)

Article 10, Section 2: Amendments (Approval)

Our outside counsel, Junaid Odubeko was present to answer any questions. There were no questions at this time.

Staff recommended the RTA Executive committee recommend the Board to approve the proposed amendments to the RTA bylaws as outlined and discussed.

A proper motion was made and seconded. The vote of approval was unanimous.

**IX. Other Business:**

**X. CEO'S Report:** Chief Executive Officer Steve Bland gave the following report:

1. With respect to STAR upgrades, our 8 "new to us" passenger cars have had the brand graphics applied and are undergoing final testing and training and will enter service in July. The second locomotive is being rebuilt and we expect to have it back later this year.
2. Another silver lining to the dark cloud of our ridership is the speed at which we can undertake construction. Construction on the Mt. Juliet parking lot expansion began in April, and the relatively few cars parked on site means the contractor can move more quickly. Originally, this project was supposed to take a full year, but they now expect to wrap it up this calendar year.
3. Electrical work has also commenced at the 7 Star stations to allow for the installation of ticket vending machines and validators in conjunction with the new fare collection system. Work has begun at Mt. Juliet in conjunction with the overall station construction, and will begin at Riverfront Station next week.
4. Mayor Hutto and I attended a virtual meeting of the Senate Government Operations Committee to review the RTA's Sunset Legislation. The outcome was "good news/bad news." The good news is that the Committee and the General Assembly did pass the bill, so the RTA is still a legal entity. The bad news is that, instead of the recommended

4-year authorization that came out of the House, the Senate recommended 1 year, which the House agreed to, so we will be back in front of the General Assembly next session.

5. The Steering Committee for the South Corridor Study met this month to review progress on the study by GNRC staff and consultants from WSP consultants. The consultant reviewed the larger scale capital investment alternatives being examined for the corridor, and discussed potential approaches to public engagement.

Kenny Martin gave special thanks to WeGo Staff for the work that has gone on in Mt. Juliet

- XI. **Chair's Report**: Chair Hutto thanked everyone for being present at the board meeting and called for a motion to adjourn the meeting.

- XII. **Adjournment**: Proper motion was made and seconded to adjourn. The meeting was adjourned at 10:15 a.m.

Respectfully submitted:

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Ed Cole, RTA Secretary &  
Davidson County Governor Appointee