I. **CALL TO ORDER:** The regular meeting of the Regional Transportation Authority Board of Directors was held in the meeting room at Music City Central, 400 Charlotte Avenue, Nashville, TN on Wednesday, April 15, 2015. A quorum was established and the meeting was called to order at 10:06 a.m. by Chair Kim McMillan, Mayor City of Clarksville.

II. **APPROVAL OF MINUTES:** Chair McMillan entertained a motion to approve the minutes of the March 18, 2015 meeting. Proper motion was made and seconded. The vote of approval was unanimous and the minutes were adopted as presented.

III. **PUBLIC COMMENTS:** Margo Chambers of Nashville stated that at the MPO meeting, held just prior to this meeting, the MPO approved by-laws stating for the first time that the Metro Planning Commission will be their dedicated sponsor and fiscal agent. She noted that it was her understanding that the Metropolitan Planning Commission members had not filed federal certificates that allow those members to approve representatives who can access FTA funds and she believes this will affect (RTA) funding.

Tommy Bragg, former Murfreesboro Mayor and current Chair of the Transit Alliance of Middle Tennessee, acknowledged Jo Ann Graves who is now serving as their interim director. They are continuing to fund raise. As they are going out to the private sector, they are anticipating some major announcements in the next two months. They are also contacting public sources for revenue and appreciate the Board’s consideration during their 2015 - 2016 budget years.

Steve Reiter of Nashville suggests that the Transit Alliance could help most by raising money for regional transportation. With all the discussion there has been about how to fund it, raising money for regional transportation, in his opinion, would be a good place to start.

IV. **MARKETING REPORT:** Committee Chair City of White House Alternate Gerald Herman gave a summary of activities that had been done in support of RTA services. Among those was the kick-off event to announce the St. Jude Country Music Marathon Train that was held in Lebanon on March 31st. Premier Orthopedics is the underwriting sponsor for the special train service. Other event sponsors are Wilson County Government and Mayor Randall Hutto. RTA will operate the Music City Star for runners and spectators on the day of the marathon, Saturday, April 25th. Many marketing activities have taken place to promote this
special train date and round trip tickets for $12 can be bought online at the RTA web site. To date, about 100 tickets have been sold.

Lending their support to the Northwest Corridor Study is another activity that has kept the marketing and communications team busy. In addition to pushing out media announcements in support of the public meetings, they also partnered with the Parsons Brinckerhoff team making onsite visits along the project corridor to distribute rack cards about the project and meeting dates. Meetings were held April 9 in Clarksville, and April 13 in Nashville. Tomorrow’s meeting, April 16, will be held at the Cheatham County Courthouse in Ashland City.

In closing, Mr. Herman reported that there was good discussion between members and staff concerning the RTA strategic plan and the rebranding project. Staff continues to monitor ridership trends on the regional express bus services offered by RTA.

V. **Operations Report:** Committee Chair City of Portland Mayor Ken Wilber reported that trends are up overall even though some individual routes may reflect the negative impact of the severe weather (ice and snow) in recent months that forced some businesses to close.

Continuing, Chair Wilber reported that Chuck Abbott, Chief Operating Officer of Gray Line of Tennessee, was at the meeting to address some of the recent service issues. Gray Line is working with RTA staff to address those issues and to come up with a plan on how to handle them in the future. Chair Wilber invited RTA CEO Steve Bland to comment.

Steve Bland stated that we have had some reliability issues with Gray Line; a lot of it is attributable to driver shortages. Gray Line is working with staff on their plan to get that corrected over the next couple of months. In an effort to help, we are coordinating some of the recruiting practices of what the MTA is doing on the Nashville side with what Gray Line can do on the RTA side.

VI. **Finance & Audit Report:** Committee Chair Sumner County Executive Anthony Holt presented the following:

a. **Monthly Financial Report Compared to Budget (I-15-004):** Chair Holt called on CFO Ed Oliphant to present this report to the Board. Mr. Oliphant reported that February was a tough weather month with lost service hours and is primarily why we are seeing the unfavorable numbers in the revenues from operations. However, this is also why we have favorable balances offsetting that in the expense side because we did not run the service. The rest of the operations revenue in federal, state, local, and capital, is basically timing issues.

Continuing, he noted that in the expense section we have some favorable balances. While services have historically been always favorable, we are seeing a greater favorable balance this month due in large part to the delayed start of the Dickson service for which we had already budgeted.

On the comparative balance sheet Mr. Oliphant noted that under Current Liabilities, the balance of the Note Payable, as of last week, was zero. Last
month the Board approved moving into a loan agreement with Fifth Third Bank, who will become our banking services for the next five years, and this afternoon, Steve Bland will be signing a new $1.5 million line of credit through Fifth Third Bank. This concluded his report.

b. **FY 2016 Budget Alternatives (I-15-005):** Chair Holt reported that the Finance Committee had a special called meeting on April 7, 2015 to discuss alternate proposals for our 2016 budget. This meeting was the outcome of discussions at our March Board meeting with respect to our worst-case scenario with the anticipation of CMAQ funding ending and the impact that will have on our RTA commuter services and our local share.

Chair Holt summarized the three potential funding scenarios reviewed by the committee and staff:

- Alternative 1 – the phasing out of a significant portion of CMAQ funding and what the implications would be
- Alternative 2 – the incorporation of a 5% fare increase and what that impact would have on the bottom line
- Alternative 3 – the conversion of $900,000 in federal capital funds shifted towards the operating budget to reduce the local funding contribution

He added that as a part of the discussion of the alternatives, the committee discussed the fact that, through Senator Alexander’s office, they have learned that certain services we operate qualify for an exemption to the “3-year rule” for CMAQ funding. The RTA has submitted an application through the TDOT/MPO process to extend funding. However, we will not know whether or not these funds can be available until June.

Continuing, Chair Holt reported that they had a significant discussion that centered around the overall impact on the Authority’s operations if some of the local funding partners could not make their allocated contributions. The committee concluded discussion with the following consensus points of direction:

1. A 5% passenger fare increase should be planned for the 2016 budget.
2. The Board should “strongly encourage” TDOT and the MPO to fund the Authority’s pending CMAQ funding request.
3. Prior to a decision on CMAQ funds (in June), the 2016 projections contained in “Alternative 3” should be communicated to all Boards for planning purposes in their local budgeting process.
4. As part of the RTA’s current strategic planning process, the Authority should consider the adoption of a “Service Guideline Policy” that sets targets for operational and efficiency performance of all of the services that we provide.

Concluding his report, Chair Holt noted that this report is for informational and planning purposes only and does not require official Board action at this time. Our
pending CMAQ funding request will be incorporated into the Authority’s proposed 2016 operational budget to be considered in our June meeting. Chair Holt then asked if there were any questions or comments. The following are highlights from the conversation that ensued:

Davidson County Governor’s Appointee Ed Cole underscored that this report represents a very thoughtful and carefully prepared approach to dealing with the current financial situation. We also all know the issue underneath this is dedicated funding, having long term revenue sources put in place for the operations that we support.

Board Chair McMillan stated that the committee wanted to do something that would have the least impact on everyone’s budget but would also keep in place the RTA programs we have worked so hard to establish. She believes that this does represent something on which everyone can be on board, but emphasized that we have to make sure that we continue to press forward, continue to push for additional CMAQ funding, and continue to push to find other funding alternatives. She thanked Finance Committee Chair Holt and everyone on the committee who worked so hard to come up with this alternative.

Rutherford County Mayor Ernest Burgess added that many of the mayors are far along in their budgeting process and it will be June before we know if there is any CMAQ money. The alternative suggests that we incorporate the conversion of Federal Capital Funds toward operating assistance to reduce the local funding contribution which is going to be necessary for us to keep this transportation plan in place and not have major disruptions and reductions in service. He would like to know how many others are serious about staying it through.

Chair Holt stated that in the worst case scenario, we will have to use the capital money to even make it reasonable for local governments to fund. Anything we could get our local legislators to agree to fund will be a big challenge. We will roll the dice and hope that we get the operational CMAQ funding; and, if we don’t, it will be very difficult to swallow.

If one entity within a partnership on a local level drops out, that puts more pressure on the entities that remain and would cause the funding request to go up even more. We are in a tough spot, but at the same time, we understand the implications of letting this whole transportation initiative unravel, because once it does, it would be very difficult for us to try to put that back together again. We have a lot riding on this CMAQ grant. We need to speak to those powers that be on the state level, hopefully that they understand the importance of funding this. This is a temporary fix until we come up with proper dedicated funding as Ed Cole and others have mentioned. We are not there yet. As we have seen, our legislatures are not going to address that this year. We discussed it thoroughly and I don’t know if there are any other alternatives to taking this course.

CEO Steve Bland remarked that the issues have been summarized pretty succinctly. We have been in communication with TDOT staff and with MPO staff on the CMAQ process. While they can’t commit, they have certainly encouraged the application, so we are cautiously optimistic. Highlighting Chairman Holt’s comments, he added, the best case scenario would be a short term patch or fix to this
and having to move toward to a longer term financing solution. An important part of this conversation is the performance of individual services and corridor services and being able to set targets for what performance should look like and how various partners, whether it is passengers, state, or local partners, are helping to pick up the cost of those services. I would represent this as the new worst case scenario for funders but something that realistically mayors and county and city councils are going to have to contemplate moving forward.

Robertson County Mayor Bradley asked if we have not resolved these revenue issues by June 30, when the services for these cities and counties contracted with RTA end. Will the buses literally not roll on July 1st?

CEO Bland answered that we have to go through a public hearing process to wind down any of the individual corridor services, but the contractual obligations do end June 30th.

Mayor Burgess asked does the budget for FY 2017 assume any continuation of the use of the 5307 money? The answer was no, but it could.

Murfreesboro Alternate Dana Richardson stated that we are always dealing with two different things – one is eligibility and the other is availability. Even though 5307 funding under Small Bus Ruling, Map 21, gives us the eligibility to do it, this will cut our capital availability of funds if we transfer that back to operations. This would be a stop-gap measure, a short-term band aid. We know that the next year will be coming around soon. I hope that we will spend this next year legitimately looking at this issue and try to resolve it in a much quicker way.

Board Chair McMillan responded that Chair Holt and his Finance Committee have this on their agenda. They will continue to meet as we learn of other alternatives and will keep us advised of where we are with all of our federal grants and what our federal and state partners are doing.

Mayor Burgess shared his concerns with the timeline. June 30th is almost here. If we have certain members that are not going to continue, then we need to give notice to the RTA team so that they can make public notice to delete and discontinue that service. It is incumbent upon all of us to give feedback as to what we are going to try to do.

CEO Bland responded that RTA staff will be reaching out to all the funding partners to get a sense of what direction they will be headed.

Discussion continued concerning the need for long-term funding and the various scenarios about how this might play out depending upon the participation of various corridors.

Williamson County Mayor Rogers Anderson asked is it possible for staff to come up with a list of things that we at the local level have not thought of that might bear some of this cost? He noted that just recently at the county level some of the rules have changed for having a wheel sticker for your vehicle and his county has been able to save some money in that area and there may be some funding in other areas of which I am not as familiar. Mayor Anderson stated that all of us (the county mayors) have little special rules in our counties where pockets of money may have
been saved and we have them earmarked to go somewhere else, adding most counties are trying to figure out how to fund schools. There may be little pockets out there. He offered to look into that when he gets back to see if that was a real savings for counties and noted that Metro Nashville a few years ago changed their contractual obligations for inspections and different fees.

CEO Bland noted that was a very fair request. We have been working with the MPO as they have been leading the effort with the Mayors Caucus on a lot of these issues on what some possibilities are. That specific issue will be part of the dialog we will have.

Chair Holt picked up on what Mayor Anderson said and noted that Metro changed the dynamics as to what they are capturing as far as their emissions testing percentage. He thinks at a local level that we are on the same guidelines as we have always been and we don’t capture as much. That may be something we could look into and see what Metro did to see if we could capture more of that to dedicate toward our local share. That is a good idea.

Board Chair McMillan emphasized that this commuter transit system we have developed is, yes, for the convenience of our constituents to be able to get through traffic; but, it plays a very important part in reducing congestion and improving the air quality on all these routes. This we need to remember as we move forward.

VII. **CEO’s Report:** CEO Steve Bland reported on the following projects:

- **The Northwest Corridor Study:** We have had two of the first round of public engagement meetings – one in Clarksville, which was very well attended, and one in northwest Nashville. The final one will be held in Ashland City. There has been good participation and engagement with genuine interest in the project.

- **Greensboro North Park-and-Ride:** Construction on the lot continues in Gallatin and Mayor Brown will be scheduling the ribbon cutting ceremony soon.

- **Cumberland Region of Tomorrow’s Power of 10 Conference:** The RTA is partnering with Cumberland Region Tomorrow as part of the RTA strategic planning process. Transit and mobility will be the overall area of focus for the summit. He encouraged everyone who can to participate.

- **Hamilton Springs:** The preliminary designs for the station have been circulated and the developer has signed off on it. We are scheduled to meet May 1 with the planning department and the City of Lebanon. We will incorporate whatever comments that city has on those plans and then we will go to cost estimates. Once those cost estimates are developed, we can move forward on that process.

- **CMAQ funding:** We did complete and submit the CMAQ application for continuation of services last week. The total amount would cover a three-year period, and assuming the continued eligibility under those laws, the total application amount was for $4.322 million over that three-year period.

VIII. **Chair’s Report:** Chair McMillan urged every mayor there to continue to be engaged in this process. Regional transportation systems are important to all of our
constituents in all of our counties. We need to continue to work together to promote that.

IX. **OTHER BUSINESS:** There was no other business.

X. **ADJOURNMENT:** The meeting was adjourned at 10:51 a.m.

Respectfully,

_Paula Mansfield_

Governor’s Appointee
RTA Secretary