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, May 20, 2015. A quorum was established and the meeting was called to order at 10:05 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 April 15, 2015 meeting. Proper motion was made and seconded. There was no discussion and the vote of approval was unanimous.

III. **PUBLIC COMMENTS:** Margo Chambers of Nashville asked if the board would discuss the RTA bus driver contract or the worker contract which is soon to expire. Due to the federal uncertainty in the Senate and the House, she wants to make sure that the RTA has enough money to pay the contract.

IV. **MARKETING REPORT:** Committee member Ed Cole reported that the marketing committee met last week and had a very full agenda with a lot of discussion that led to unanimous support for these four actions to come before the Board:

   a. **Music City Star Fourth of July Train Service (A-15-003):** For the past six years, the Music City Star has provided service to Nashville’s annual Independence Day Fireworks Celebration at Riverfront Park. The RTA’s July 4th Music City Star train has become one of the agency’s most popular and successful special events. Because of the popularity of the service, the July 4th tickets routinely sell out within two or three weeks.

   The price of the ticket last year was $12; the management team is proposing to increase the price to $14. The estimated operational cost for the train is $7,650. This includes additional expenses related to online ticket sales and other marketing efforts. In the past four years, RTA has had a good return on investment for this annual event with a profit of approximately $3,000 per year. With the board’s approval of the proposed price increase to $14, we anticipate total sales this year will be approximately $13,300.

   The Marketing Committee recommends to the Board approval to operate the Music City Star for the annual Independence Day (July 4) Fireworks Celebration at Nashville’s Riverfront Park as well as the approval for a modest ticket price increase from $12 to $14 per ticket for this event. Proper motion
was made and seconded. There was no discussion and the vote of approval was unanimous.

b. **Wilson County Fair Train Service (A-15-004):** Last year, the RTA provided train service for the Wilson County Fair on two consecutive Saturdays, August 16 and 23. Approximately 650 tickets were sold. The cost of the service was sponsored by the Wilson County Fair Board and City of Lebanon so there was no cost to the RTA.

Round trip tickets, which included admission to the fair, cost $20 for adults and $15 for children ages 6-12. The management team is proposing to operate the same Saturday service for the 2015 Wilson County Fair, again with the requirement that all costs associated with the fair service not recouped through ticket sales would be the responsibility of the City of Lebanon, either on their own or through public/private partnerships.

The Saturday dates for special train service are August 15 and 22. Estimated operational cost for the train on the two Saturdays during the fair and providing the two roundtrips is $9,918.

The Marketing Committee recommends to the Board that we provide Saturday service to the 2015 Wilson County Fair if a sponsorship agreement is worked out prior to June 30, 2015. Proper motion was made and seconded. There was no discussion and the vote of approval was unanimous.

c. **Fareless Friday: Black Friday Free Ride Day (A-15-005):** Since 2013, the RTA has partnered with the Nashville MTA for a joint promotional event for a system-wide free ride day on the Friday after Thanksgiving. This “Black Friday” is traditionally recognized as the first day of the holiday shopping season by retailers and consumers. Since many governmental agencies and some businesses are closed on this particular day, weekday ridership is significantly lower than most Fridays on both the MTA and RTA systems, making this a great day for a transit promotion to generate ridership.

This Free Ride promotion was highly successful the first two years, especially in 2014 when the Music City Star ridership broke records with more than 1,700 passengers for the day. In 2015, the RTA’s three Rutherford County routes (84X, 86X and 96X) and the 93 Music City Star West End Shuttle saw a combined 97 percent jump on Fareless Friday ridership. The Music City Star recorded nearly 1,000 passenger trips for the day.

The Marketing Committee recommends to the Board approval to implement a system-wide Free Ride Day for the Music City Star and RTA’s Express bus services on Friday, November 27, 2015. Proper motion was made and seconded. There was no discussion and the vote of approval was unanimous.

d. **New Year’s Eve Train Service (A-15-006):** Each year, the city of Nashville hosts the “Bash on Broadway” New Year’s Eve Celebration, and for the past two years, the Music City Star has offered train service to this event. We have had sell-outs for both years. During the first year we sold 400 tickets; last year we sold 650.
The New Year’s Eve train operates similar to the Friday night train, providing one inbound trip leaving Lebanon at 6:40 p.m., stopping at each station and arriving at Riverfront at 7:30 p.m. The return trip leaves Riverfront Station 30 minutes after the fireworks show at midnight.

Previously, a roundtrip ticket has been sold for $12; we propose increasing the price to $15. Given market circumstances and the success we have had, a modest price increase of $3 per ticket is recommended.

The Marketing Committee recommends to the Board approval to operate the New Year’s Eve train in accordance with the above operational plan as well as a price increase of $3 per ticket for the roundtrip train service to the Nashville New Year’s Eve Celebration. Proper motion was made and seconded. There was no discussion and the vote of approval was unanimous.

Concluding, Mr. Cole noted that over the past year the Marketing Committee has spent some time on RTA branding and the way we present our self and our services across the region. This fits beautifully into the work of the long-range plan process for the RTA. As the Board moves through that process, we will begin to see how the branding and the presentation of the RTA services fits in with the planning for the nature of those services.

V. **OPERATIONS REPORT:** Operations Supervisor Gabriel Burgess reviewed the monthly operations reports for the month of March with the following notes:

   a. **Monthly Operating Statistics (I-15-006):** Ridership numbers in the performance indicator report reflect the impact of winter weather in February/March of 2015 on some routes; however, the combined ridership for commuter rail and bus still saw an increase of 9.3%. In the fiscal year month-to-month comparisons the numbers are steady. The combined ridership numbers for March 2015 are up 3.3% for Nashville MTA and RTA compared to March 2014.

   Mr. Burgess reported that on Tuesday, May 19, staff participated in a multi-agency emergency drill that took place on the Music City Star at the Lebanon Station. Simulation exercises of this nature are required every other year by the Federal Railroad Administration (FRA). This drill allowed the participants to evaluate current response concepts, plans, and capabilities. The exercise went well and everyone was pleased.

VI. **FINANCE & AUDIT REPORT:** Chief Financial Officer Ed Oliphant presented the following to the Board:

   a. **Monthly Financial Report Compared to Budget (I-15-007):** Mr. Oliphant noted that the Revenue from Operations category, the Relax-and-Ride (R&R) revenue was down slightly in the month while the train revenue was up. In the year-to-date numbers, the winter weather mentioned earlier had definite impact on the ridership for both the train and the R&R.
In the Federal/State/ and Local income category, Mr. Oliphant noted that RTA is unique in that it receives almost 90% of its funding through grants so we don’t have to pull the money in until we need it and that is reflected in the numbers within the report.

In the Expenses from the Operations category, Mr. Oliphant noted that services continue to be favorable with a reminder that Dickson County had been budgeted for the whole year and actually did not start until January, creating the larger favorable balance in services. Fuel continues to have a favorable balance and we expect that to continue through the rest of the year.

On the balance sheet, Mr. Oliphant highlighted the Note Payable line item and stated that loan had been paid in full and they have borrowed a little on the new line of credit from Fifth/Third Bank as we have switched from SunTrust to Fifth/Third for our banking services.

b. **Debt Management Policy (I-15-008):** Mr. Oliphant stated that in December 2011, the RTA Board adopted a debt management policy as required by the Comptroller of the Treasury of the State of Tennessee. The policy requires RTA to submit a Report of Debt Obligation to the Comptroller’s Office anytime we enter into a debt agreement. One of the submission requirements is that governing boards review the report of debt obligation prior to submission. He then reviewed the Report of Debt Obligation prepared for submission.

Concerning the recent move to Firth/Third Bank, Mr. Oliphant noted that it is a more advantageous business relationship. This year we are paying an interest rate of London Interbank Offered Rate (LIBOR) plus 1.85% as opposed to 2.5% last year. The closing fee, or commitment fee, was 50 basis points last year. Because of the new Dodd-Frank Act, the banks have moved away from commitment fees and have gone to a non-use fee due to the liquidity measurements they have to do on a quarterly basis, which is also to RTA’s benefit. Our non-use fee is only 35 basis points this year. We are coming out ahead of the game as far as the comparison to last year’s debt that we incurred.

In closing, Mr. Oliphant clarified, for those who might not know, that this $1.5 million line of credit is used for liquidity purposes when federal grants don’t come through on a timely basis and we then borrow against it. Mr. Oliphant also noted that we only borrow when we have a grant that will pay it back. This is an information item for transparency sake and requires no Board action, but he would be happy to answer any questions. There were none.

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

- The Northwest Corridor Study is on-going. We concluded the opening round of public meetings in several cities along the corridor. A total of 106 people attended the three public meetings. We identified a number of issues, opportunities, and challenges. We also received a number of comments through the website presence and social media. Consultants are working on broad data, the needs assessment, and the technical analysis associated with this study. We will continue to keep the Board informed of our progress.
• The Hamilton Springs Station project continues to progress. We reported last month that the design team was scheduled to meet with the planning commissioner in Lebanon which was postponed, but is now set to occur next week. Based on the feedback that we receive from the planning commission, we will make any revisions necessary to design and then go to cost estimation for that project.

• The Greensboro North Park-and-Ride project has been advancing extremely well and is nearing completion well under budget. Our service development staff has identified a couple of alternate schedules because we already have two park-and-ride locations in Gallatin and when we add Greensboro North, the third would essentially add time to that schedule. We are surveying customers to learn their preference if they would rather keep all three locations, which would make it a longer trip; or, do we sacrifice one of the lots and make it a quicker trip. That survey will go out in the next couple of weeks. We will make changes based on that feedback and then we will work with Mayor Paige Brown on a ribbon cutting ceremony.

• Gabriel Burgess reported on the rider trends on route #93, West End Shuttle. There is a lot of activity around Riverfront Park. There is construction activity, a lot of traffic activity, and we have had some ongoing challenges with the schedule adherence to that route. We did an extensive survey of customers with 168 responses to some alternate routing strategies. We deployed a route change this past Monday, which seems to be going well, and is addressing a lot of those issues and has made both the rail service and that bus service a bit more reliable.

• Mr. Bland noted his appreciation to all of the Board members, and in particular to the Mayors, of the dialog over the last couple of months on our financial projections and our budgets. He doesn’t have anything to update at this time, but noted that staff has been getting great feedback and communication from all the cities and counties on what they are putting into their budgets. In June, we will come forward through County Executive Holt’s Finance Committee with the best information we have available for our budget presentation to the Board in June. A lot of that will depend on what feedback we get through the Congestion Mitigation Air Quality (CMAQ) process as well. The feedback has been good, the dialog has been good, and we should “live again to fight another day.”

Ed Cole was recognized and commented that he appreciates Steve and the staff updating the Board in the preceding months about our work on Positive Train Control for the Music City Star in light of the recent horrible event that happened on the line north of Philadelphia. Much of the conversation there was about how Positive Train Control can be an active part in possibly helping prevent something like that.

The question was also raised if this recent accident in Philadelphia would impact our insurance rates. Mr. Bland answered that is hard to project right now and we are tracking that through the trade associations to see what that will look like. He noted that the U.S. Northeast Corridor, unlike the Music City Star line, has multiple
railroads in the same line at much higher speeds through much more congested areas. We are not faced with the same issues, but it is certainly something that trickles down. For this and for future projects, it will certainly have an impact on what we look at in the Northwest corridor or anything else that we are doing in the primary Nashville in-and-out corridors. Even not just specifically rail projects, but adjacent to rail right-of-way.

Mayor Burgess was recognized and discussion ensued concerning the upcoming budget and the possible impact of the unknowns concerning CMAQ contributions as well as the questionable continuing participation of some of the local jurisdictions.

Mr. Bland added that he and Michael Skipper of the MPO and Liza Joffrion of TDOT have been working on a longer-range funding model to give local governments at least a little bit of predictability for their budgets over the next several years. This would fluctuate based on service levels or new services, etc., but could be a useful planning tool for the respective councils and communities. The Mayors’ Caucus and the MPO have been involved in pursuing a long-term, stable, funding source for this.

VIII. **Chair’s Report:** Chair McMillan stated that this discussion is just what she wanted them to have. She knows that each mayor there is under pressure of their budgets and what they are going to do. It is also very difficult for Steve Bland and his team to start thinking about the budget and contract extensions when we can’t tell him specifically what we are going to do. Often times, as we all know, as mayors we can say this is what we intend to do, but until the council or commission actually votes on it, that may not be the case. She appreciates the forthrightness of the mayors that have communicated with staff what they intend to do, but knowing that action by the council or commission may be different. We are all in unique positions of what do we do, and what do we tell our constituents. She asked, as they all move forward, that each one continue to keep Steve Bland and his team informed of what you are doing and where you are going and what you think might happen so they can make the best decisions as we move forward. Unfortunately, we are held hostage by the federal government in the sense that we don’t know about the CMAQ grants and won’t know until sometime, we hope, in June. That could have an effect, and all of councils and our commissions may not be voting on our budgets until sometime later than that. We appreciate the work that all of you are doing to “work off the fly” here and try to get us all together because we know that transportation is probably the number one issue to all of our constituents, but how to pay for it becomes another problem and another issue.

IX. **Other Business:** There was no other business.

X. **Adjournment:** The meeting was adjourned at 10:38 a.m.

Respectfully,

*Paula Mansfield*

Governor’s Appointee
RTA Secretary