I. **CALL TO ORDER:** The regular meeting of the Regional Transportation Authority of Middle Tennessee (RTA) Board of Directors was held in the meeting room at Music City Central, 400 Charlotte Avenue, Nashville, Tennessee on Wednesday, March 21, 2018. A quorum was established, and the meeting was called to order at 9:30 a.m. by Chair Kim McMillan, City of Clarksville Mayor.

**IN ATTENDANCE WERE:**

<table>
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<tr>
<th>Ashland City</th>
<th>Alternate Sandy Cannon</th>
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<tr>
<td>Brentwood</td>
<td>Mayor Jill Burgin</td>
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<td>Cheatham County</td>
<td>Mayor Kerry McCarver</td>
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<tr>
<td>Clarksville</td>
<td>Mayor Kim McMillan (Chair)</td>
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<td>Dickson County</td>
<td>Mayor Bob Rial</td>
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<td>Franklin</td>
<td>Mayor Ken Moore</td>
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<td>Gallatin</td>
<td>Mayor Paige Brown</td>
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<td>Goodlettsville</td>
<td>Alternate Tim Ellis</td>
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<td>Hendersonville</td>
<td>Mayor Jamie Clary</td>
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<td>Lebanon</td>
<td>Mayor Bernie Ash</td>
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<td>Montgomery County</td>
<td>Mayor Jim Durrett</td>
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<td>Portland</td>
<td>Mayor Kenneth Wilber</td>
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<td>Robertson County</td>
<td>Mayor Howard Bradley</td>
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<td>Rutherford County</td>
<td>Mayor Ernest Burgess</td>
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<td>Springfield</td>
<td>Mayor Ann Schneider</td>
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<td>Spring Hill</td>
<td>Alternate Victor Lay</td>
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<td>Sumner County</td>
<td>County Executive Anthony Holt</td>
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<td>Westmoreland</td>
<td>Mayor Jerry Kirkman</td>
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<td>White House</td>
<td>Alternate Gerald Herman, City Administrator</td>
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<td>Williamson County</td>
<td>Mayor Rogers Anderson</td>
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<td>Wilson County</td>
<td>Mayor Randall Hutto (Vice Chair)</td>
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<td>TDOT</td>
<td>Liza Joiffrión</td>
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<td>Governor Appointees</td>
<td>Jerome Terrell, Cheatham County</td>
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<td>Ed Cole, Davidson County</td>
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<td>Margot Fosnes, Robertson County</td>
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<td>Kelly Dannenfelser, Williamson County</td>
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<td>Ken Davis, Wilson County</td>
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II. **APPROVAL OF MINUTES:** Chair McMillan entertained a motion to approve the minutes of the February 21, 2017 meeting. Proper motion was made and seconded, and the minutes were approved unanimously.

III. **PUBLIC COMMENTS:** Chair McMillan opened the floor for public comments, and there were none at this time.

IV. **FINANCE & AUDIT REPORT:** Committee Chair and Sumner County Executive Anthony Holt reported on the following items:

   a. **Monthly Financial Report Compared to Budget (D-18-003):** Chair Holt reported that this was reviewed and discussed by the Committee, and everything was how it should be. Chief Financial Officer Ed Oliphant was present to answer any questions, and there were none.

   b. **Fifth Third Revolving Line of Credit Renewal (A-18-006):** The RTA has had an operating line of credit through Fifth Third Bank for the last year in the amount of $1.5 million for general borrowings to cash flow expenses for RTA. The maturity date for the current line of credit is April 1, 2018.

      While RTA continues to reduce the frequency of need to utilize the line, it was difficult to forecast the availability of future federal grant funding. Consequently, it was imperative to renew the line of credit in order to ensure timely cash flow for expenses. All covenants have been met on the current line of credit. Costs to renew the line included attorney’s fees and a small closing fee. These were included in the annual budget.

      Any borrowings would be paid back through federal grants when the grant funding becomes available. The line of credit is for general use to pay for expenses incurred that are reimbursable by a federal grant.

      The Finance & Audit Committee recommended the Board give the Chief Executive Officer authority to sign a one-year extension of the Fifth Third Bank revolving credit agreement for $1.5 million, which would extend the maturity date to April 1, 2019, and that the line of credit be eligible for general use for RTA expenses that are reimbursable by federal grant.

      Proper motion was made and seconded, and the vote of approval was unanimous.

   c. **RTA Surface Park & Ride Lot Development and Management (A-18-007):** Based upon the results of the comprehensive solicitation and evaluation processes, the Finance & Audit Committee recommended the Board give the Chief Executive Officer authority to enter into a contract with Republic Parking System for an initial three-year term with an option to exercise two additional one-year options to provide the following:

      - Park & Ride management services at designated lot when deemed necessary and prudent by the RTA Board; and,
      - Task order-based professional services to identify and begin development of regional Park & Rides to support commuter bus services, vanpool services, carpool activities, and other related activities for the
improvement of transportation demand management in the Middle Tennessee Region.

Any specific parking management service would come before the Board for fiscal review and final approval prior to implementation. Any task order greater than $300,000 or not previously authorized through adoption of an annual capital plan would come before the Board for review and approval of funding levels and funding sources prior to authorization.

Proper motion was made and seconded.

When asked if there was any further discussion, it was clarified that this action was only for the selection of a vendor for services and was not selecting any Park & Ride lot at this point.

Chair McMillan called for a vote, and the vote of approval was unanimous.

d. **Finance & Audit Committee Charter (A-18-008):** As a result of the 2017 Performance Audit Report by the State Comptroller and subsequent Senate Government Operations Committee hearing, an Ad Hoc Committee of the RTA convened on November 29, 2017. The purpose of the Ad Hoc Committee was to review and address concerns outlined in the Performance Audit Report about Board oversight and management, member attendance, vacancies, and RTA Finance & Audit Committee duties and responsibilities.

The Ad Hoc Committee subsequently recommended that the Finance & Audit Committee description be amended to include the following responsibilities outlined in Tenn. Code Ann. § 4-35-105:

- overseeing the financial reporting and related disclosures;
- evaluating contracted management’s assessment of internal controls (risk assessment);
- formally reiterating to the Board, management, and staff their responsibility for preventing, detecting, and reporting fraud, waste, and abuse;
- informing the Comptroller of the Treasury of the results of the assessment and controls to reduce the risk of fraud; and,
- serving as a facilitator of any audits or investigations of the body to which the Finance & Audit Committee is attached, including advising auditors and investigators of any information the Committee may receive that is pertinent to audit or investigative matters.

The Ad Hoc Committee also recommended that the Finance & Audit Committee select the independent external auditor for RTA’s financial statements, as advised by the Comptroller. The Ad Hoc Committee’s recommendations were adopted unanimously at the RTA Board’s December 13, 2017 meeting.

Although the RTA bylaws allow for the creation of committees, to the extent state law expressly requires the audit committee of a governing board to perform its business as prescribed in that committee’s charter, staff worked with outside
counsel to develop a charter to provide for the frequency and procedures for conducting meetings as required by T.C.A. 4-35-104 as well as describing the responsibilities and authority of the committee.

The Finance & Audit Committee met on March 13, 2018 and reviewed and approved the proposed charter. The Committee further moved to have both a Finance Committee and an Audit Committee with separate responsibilities and duties.

The Finance & Audit Committee recommended that the charter (included below) be approved and that the Board separate the Finance & Audit Committee into two freestanding committees.

REGIONAL TRANSPORTATION AUTHORITY
AUDIT COMMITTEE CHARTER

PURPOSE

The primary purpose of the Regional Transportation Authority of Middle Tennessee (RTA) Audit Committee, as it pertains to auditing and other related oversight functions, is to assist the RTA Board of Directors in fulfilling its oversight responsibilities with respect to:

- The financial reporting process;
- The system of internal controls and risk management;
- The internal and external audit process;
- Internal audit activities;
- The standards of professional conduct;
- Fraud, waste, and abuse prevention, detection, and reporting; and,
- Other areas as directed by the Board.

AUTHORITY

The Audit Committee has the authority to conduct or authorize audits or investigations into any matter within its scope of responsibility. The Committee is authorized to:

- Oversee resolution of any disagreements between management and the auditor regarding financial reporting;
- Seek any information required from employees whom are directed to cooperate with such requests;
- Meet, as needed, with the RTA Board of Directors, RTA Staff, external and internal auditors, legal counsel, or others as necessary; and,
- Delegate authority to subcommittees.

RESPONSIBILITIES

Audit Committee responsibilities include:

Financial Reporting Process

- Review significant accounting and reporting standards, as applicable
- Review financial statements and comprehensive annual financial report
Internal Controls & Risk Management
- Review the adequacy of internal controls for compliance with policies, plans, procedures, laws, and regulations with management
- Understand the scope of internal and external auditors’ review of internal control
- Inquire of management and auditors about significant risks and how those risks are managed
- Review management’s processes for assessment of risk, including fraud risk, for adequacy
- Review risk assessment results ensuring internal controls sufficiently mitigate assessed risks in the agency

Internal & External Audit
- Review reports issued by internal and external auditors
- Ensure management has taken appropriate action on audit recommendations made by internal or external auditors
- Discuss the proposed scope and approach of the external audit as well as the results of the audit with representatives of the Comptroller of the Treasury, including any difficulties encountered during the course of the audit
- Require internal or external auditors to discuss any issues of concern with the Audit Committee

Standards of Conduct
- Immediately report any fraud to the Comptroller of the Treasury’s office
- Ensure procedures exist for the receipt, retention, and treatment of complaints about accounting, internal controls, or auditing matters
- Periodically review the RTA’s Code of Ethics ensuring it is easy to access, widely communicated, and easy to understand and implement
- Ensure the Code of Conduct contains a comprehensive conflict of interest policy which includes documenting potential conflicts and resolutions
- Ensure the term “conflict of interest” is clearly defined
- Review management’s process for obtaining signatures acknowledging review of the agency’s Professional Standards of Conduct
- Regularly update the board about committee activities and make appropriate recommendations
- Periodically review and amend the committee charter

Audit Committee Relationship with Management
- Review management’s assertion internal controls are effective and adequate
- Evaluate whether management is setting the appropriate ‘control culture’ and ‘tone at the top’ by communicating the importance of internal controls and risk management
- Ensure a confidential mechanism is in place for staff to report any suspected fraud, abuse or other complaints regarding operations to the Committee

COMPOSITION & MEETINGS
The Audit Committee shall be a standing committee of the RTA, consisting of at least three members or their designees, appointed by the Chair of the RTA Board. The members of the Committee shall be independent and have the appearance of
independence of any conflicts of interest in regards to their duties as members of the Committee.

The Committee shall meet to discuss internal and external audit reports as well as other business no less often than once per year. Participation in committee meetings may be in person or via teleconferencing as permitted by state regulation. Written minutes of all meetings will be maintained.

Chair McMillan called for a motion which was properly made and seconded. There was no further discussion, and the vote to adopt this charter as presented was unanimous.

Continuing with his report, Committee Chair Holt reported that the Committee had been working to determine what they were going to do for the FY2018-2019 budget. One issue they had was that there was no answer yet about the Congestion Mitigation and Air Quality (CMAQ) funding which could have a huge impact on budgets depending on the decision that was made.

Continuing, Chair Holt added that there were several options. The worst was that there would be no CMAQ funds available for this budget year and that would not work out well for anyone.

Another option would be that there was some CMAQ funding that was somewhat similar to that received last year and would maintain the status quo. The Committee, however, was hopeful that they would receive additional CMAQ funding.

Chair Holt noted that it was almost impossible to present a budget to the Board without knowing what the CMAQ funding would be. The Committee was working on it, they were assessing the situation, and were trying to come up with answers and as soon as they did, they would present the Board with a proposed budget.

There were no questions, and this concluded the report.

V. OPERATIONS COMMITTEE REPORT: Committee Chair and City of Portland Mayor Ken Wilber reported that the Committee did not have any action items and called upon Chief Executive Officer Steve Bland (presenting on behalf of Chief Operating Officer India Birdsong who was out of town) to present the following item:

a. Monthly Operating Statistics (D-18-004): Mr. Bland directed the Board’s attention to the Monthly Operating Statistics for January included within the Board’s report.

There was one additional weekday in January 2018 compared to January 2017 and that normally had a positive impact. Unfortunately, this January severe weather in the early part of the month led to a number of bus service disruptions, as well as large scale employer closings resulting in a negative impact on both ridership and revenue.

Overall, total ridership for RTA services was down 3.2% for the month, with bus down by 7.7% and rail up 3.0% for the month. Rail service was not disrupted by
the weather, but was affected by major employer closings. For the year-to-date, total ridership was down by less than 1% making it almost even for the year; rail was up 3% and overall bus ridership was down 3.8%.

For the year-to-date compared to last year, the strongest performers were the 89X Springfield/Joelton Express route (up 3.5%), the 92X Hendersonville Express route (up 6%), the 94X Clarksville Express route (up 6.9%), and the Music City Star (up 3%). Ridership challenges remain in the Williamson County and Rutherford County corridors, and there is strong need to develop strong, long-term Park & Ride facilities in these corridors.

Severe weather was also reflected in the Service Quality metrics, with bus trip completion percentage down somewhat due to trips that were cancelled as well as the on-time performance which was also impacted by the severe weather.

VI. **Resolution Accepting the City of Columbia as Member of RTA (A-18-010):** Chief Administrative Officer Rita Roberts-Turner reported that the City of Columbia recently expressed an interest in becoming a member of the RTA. On January 11, 2018, the Columbia City Council adopted an authorizing resolution to join the RTA. If its membership request is accepted by the RTA, the City of Columbia has agreed to pay fiscal year 2018 dues in the amount of $3,468 (prorated for March-June 2018 at $867 per month) by June 30, 2018. Thereafter, the City will be invoiced for the annual fiscal year 2019 dues which will be paid by December 1, 2018.

Ms. Roberts-Turner reported that the Tennessee Code Annotated §64-8-204 authorizes the RTA to add new members by a simple majority vote of its Board of Directors. Accordingly, it is recommended the Board adopt the resolution (included below) accepting the City of Columbia as a new member of the RTA.

Proper motion was made and seconded, and the resolution was adopted unanimously.

**Regional Transportation Authority of Middle Tennessee**

**A Resolution Accepting the City of Columbia as New Members of the Regional Transportation Authority of Middle Tennessee**

WHEREAS, the mission of the Regional Transportation Authority of Middle Tennessee is to coordinate local regional transportation services and to provide the citizens of Middle Tennessee choices and alternatives on how they commute each day; and

WHEREAS, seeking to provide an integrated system of accessible and efficient public transportation to the citizens of Middle Tennessee, the Regional Transportation Authority of Middle Tennessee strives to expand its services into new communities; and

WHEREAS, Tennessee Code Annotated Title 64, Chapter 8, Part 2, allows additional counties or municipalities to join an established regional transportation authority so long as the entity is part of an adjacent county to the existing boundaries of the authority and is
accepted into the authority with at least a simple majority vote of acceptance by the authority’s Board of Directors; and

WHEREAS the City Council of the City of Columbia has resolved to join the Regional Transportation Authority of Middle Tennessee, as evidenced by the attached Resolution, and to otherwise meet the requirements for membership as set forth in the Regional Transportation Authority of Middle Tennessee By-Laws and Tennessee Code Annotated Title 64, Chapter 8, Parts 1 and 2, as may from time to time be amended, and any other applicable state or federal law or regulation.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE REGIONAL TRANSPORTATION AUTHORITY OF MIDDLE TENNESSEE:

By simple majority vote, the Regional Transportation Authority of Middle Tennessee hereby accepts the City of Columbia as a new member of the Regional Transportation Authority of Middle Tennessee.

Adopted this ___ day of ______, 20__ by the Board of Directors of the Regional Transportation Authority of Middle Tennessee.

____________________
Mayor Kim McMillan
Chair, Regional Transportation Authority of Middle Tennessee

VII. REVISED 2018 RTA MEETING SCHEDULE (A-18-011): CAO Roberts-Turner presented the revised RTA Board meeting schedule for 2018. This schedule was revised to reflect the changes in the meeting dates for the full board and the added meeting dates for the Executive Committee. Proper motion was made and seconded, and the vote to adopt this schedule was unanimous.

VIII. CEO’S REPORT: CEO Bland gave the following report:

- RTA staff joined with all the members in recognizing the life and service of Mayor John Coombs of Goodlettsville. Mayor Coombs was an extremely effective advocate for his city and was a key regional player. From a personal standpoint, Mr. Bland appreciated the number of very detailed conversations they had about RTA operations and transit in general. He had a keen intellect and a great ability to understand how various pieces of infrastructure fit together to improve the quality of life for his citizens.

- The City of Nashville continues to advance a Transit-Oriented Development (TOD) Zone surrounding the Donelson Station, and we held several meetings with the development partner selected by the RTA Board to advance joint development at this station, Pennrose Development. As the development itself will run parallel to development of the TOD District, we do anticipate this to be fairly slow moving, but Pennrose is advancing a number of alternate potential development deal structures so we can review potential structures with our legal counsel, the Board, and our funding partners.

- With respect to the Mt. Juliet Memorandum of Understanding (MOU), we are working with Mt. Juliet to modify the MOU to address various issues. In the meantime, we have received the City’s payment for FY2018 services and we
have approved their construction of a monument on the station property and have initiated design for improvements to the parking area.

- We continue to advance our application for a limited service exception on the Music City Star in order to defer anticipated costs of $20-25 million for Positive Train Control. There is little to report this month, although the Federal Railroad Administration has indicated an expectation that they will issue their decision sooner, rather than later.

- We attended, with Chair McMillan, a meeting of the Senate Government Operations Committee to review renewal of the RTA for another two years. Our thanks to Chair McMillan for her participation in the meeting. The meeting went quickly, and the Committee moved this legislation on to the full Senate for consideration.

- Concerning our reliance on CMAQ funding, several mayors have reached out to us about guidance for their own budget processes. What we have suggested is to plan on the current year allocations. The amount that you have budgeted for this FY2018 for the RTA would be a safe number if you are starting to put together your FY2019 budget.

IX. **Chair’s Report:** Chair McMillan noted that she would like to echo CEO Bland’s comments that we had an uneventful hearing before the Senate Government Operations Committee this past month, and the RTA’s enabling statute has been forwarded on by this committee for a vote by the full Senate.

In recognition of findings found in the Sunset Audit by the Office of State Comptroller, one of the actions this Board has taken was the creation of an Executive Committee that can act on behalf of the Board in between full Board meetings. The intent of the Executive Committee is not to limit Board participation, but to promote full engagement in RTA activities by our Board of Directors. Chair McMillan reminded all members that, whether or not they were a member of the Executive Committee, they were welcome to attend and participate in Executive Committee meetings. Membership on the Executive Committee was extended to all Board members who meet annual attendance goals.

She noted that in February, it was asked of all members interested in serving on the Executive Committee to so indicate their interest. She was pleased to report that the response was very strong. Chair McMillan then announced the following members for appointment to the Executive Committee:

1. Mayor Randall Hutto, Wilson County
2. County Executive Anthony Holt, Sumner County
3. Mayor Kim McMillan, City of Clarksville
4. Mayor Ken Moore, City of Franklin
5. Mayor Ken Wilber, City of Portland
6. Mayor Rick Graham, City of Spring Hill
7. Mayor Jerry Kirkman, City of Westmoreland
8. Ed Cole, Davidson County Governor’s Appointee
9. Kelly Dannenfelser, Williamson County Governors Appointee
10. Ken Davis, Wilson County Governors Appointee
(Secretary’s Note: It was clarified later after the meeting that both Mayor Dean Dickey of Columbia and County Mayor Bob Rial of Dickson County had both indicated interest, met the criteria, and will serve on the Executive Committee.)

Continuing, Chair McMillan stated that every member who expressed interest in membership on the Executive Committee met the prior year attendance goals for participation and had been appointed to this committee. If she missed someone who was interested, she asked that they please contact her or Mr. Bland. She added that it was their intention to include as many members as possible on this committee.

Chair McMillan reminded members that the full Board would not meet in April or May, but the Executive Committee would meet and that all members were welcome to attend.

In closing, Chair McMillan welcomed back Margot Fosnes, Governor Appointee for Robertson County and Jerome Terrell, Governor Appointee for Cheatham County.

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

XI. **Adjournment:** Proper motion was made and seconded to adjourn, and the meeting was adjourned at 10:35 a.m.

Respectfully submitted:

\[\text{Ed Cole}\]

Ed Cole, RTA Secretary &
Davidson County Governor Appointee