

**NASHVILLE METROPOLITAN TRANSIT AUTHORITY**  
**Board of Directors Meeting**  
**May 26, 2022**

- I. **Call to Order:** The regular meeting of the Nashville Metropolitan Transit Authority (Nashville MTA) Board of Directors was held at the Tennessee Bankers Association, located at 211 Athens Way, Ste. 100, Nashville, TN 37228 on Thursday, May 26, 2022.
- II. **Roll Call of Persons Present:** Gail Carr Williams, Chair; Janet Miller, Vice-Chair; Walter Searcy, Member; Jessica Dauphin, Member; Margaret Behm, Board Secretary; Chief Executive Officer Stephen Bland; Chief Financial Officer Ed Oliphant; Chief Administrative Officer Rita Roberts-Turner; Chief Operating Officer Andy Burke; Chief Development Officer Trey Walker; Deputy Chief Operating Officer-Operations Systems Dan Freudberg; Director of Planning & Grants Felix Castrodad, and Board Liaison Monica Howse.

A quorum was established, and Chair Gail Carr Williams called the meeting to order at 2:33 p.m.

- III. **Approval of Minutes:** Walter Searcy made a motion to approve April 28, 2022, MTA Board minutes; the motion was seconded by Vice-Chair Janet Miller, and unanimously approved by the Board.
- IV. **Public Comments:** Chair Gail Carr Williams opened the floor for public comments. The public was reminded that comments were limited to three minutes. The following members of the public had these comments:

**Darius Knight**

- Mr. Darius Knight's comments reflected several ongoing maintenance issues, and he provided the board members with documentation of his concerns.

- V. **Operations & Finance Committee Report:** Committee Chair Walter Searcy introduced the following items for discussion and action:
- a. **Monthly Financial Report Compared to Budget (OF-D-22-013):** Chief Financial Officer Ed Oliphant reported and reflected on the statement of operations for March 2022 compared to the budget and a balance sheet as of March 31, 2022

Actual Fare revenues continue to outperform budgeted amounts in March as ridership month over month continues to improve. Another positive was seen in Other Non-Transportation Revenue as the parking garage saw its largest revenues since prior to the pandemic. Not only was there solid use of the garage during the month due to the Legislature being in session, but as was discussed in the April Board meeting, Premier retroactively paid additional rent for February based upon their pledge to move MTA to 75% of gross parking revenues which is up from the 50% agreed to in the Rent Abatement Agreement we entered in April 2020 due to the pandemic.

As of February 28, 2022, RTA owed Nashville MTA approximately \$252,000 for services provided to and from Rutherford County as well as management fees due. MTA also had accounts payables to RTA of approximately \$24,000 for fares collected as well as Easy Ride revenue sharing due.

Vice-Chair Miller asked CFO Oliphant to explain the Federal, state, and local government revenue variance. Mr. Oliphant explained that we did not need to draw down funds from Metro as early as expected due to the earlier-than-expected availability of our Federal resources. Since the publication of the March financials, however, Mr. Oliphant reported that all Metro money has been drawn.

There were no other anomalies to highlight this month.

There was no further discussion.

- d. **Monthly Operating Statistics (OF-D-22-014)**: Chief Operating Officer Andy Burke reported and reflected on the monthly operating statistics report through March 2022.

This month saw the highest overall ridership numbers since before the pandemic. In fact, when compared to March of 2019, WeGo ridership was almost three-quarters of pre-pandemic levels. System productivity is also at new post-pandemic highs at nearly 14 passengers per hour.

Service quality metrics for the month were also quite good. However, it should be noted that with the increasing service scheduled beginning in April, we have had some minor impacts on trip completion due to vehicle and operator availability. Operations and Maintenance staff are in close coordination monitoring these factors and taking measures to both mitigate the impact on customers and prevent future disruptions.

Chair Carr Williams asked how many new operators we have hired over the past couple of months. COO Andy Burke said that the hiring number is around 70-75 and our retention rate is around 32%. He said that retention is still a work in progress and we are working on those efforts.

There was no further discussion.

- e. **Quarterly Route Performance Report (OF-D-22-015)**: Deputy COO – Operation Systems Dan Freudberg reported and reflected on the Quarterly Route Performance Report for the months of January through March 2022.

Significant winter weather affected January 2022 performance numbers, but there were also winter storms in February of 2021, resulting in a little net effect on year-over-year comparisons for this time period.

As seen with the October through December period, Route 55 Murfreesboro Pike continues to perform very strongly and is maintaining its place as the highest ridership route in the system. In fact, this route is now at over 100% of pre-pandemic ridership levels.

While we are operating significantly more services now than last year, ridership has recovered even faster, resulting in increases in system-wide productivity in terms of passengers per hour (and passengers per trip).

Overall, on-time performance continues to hold in the upper 80s, which may be lower than the prior year but is still well above longer-term norms. On-time performance in the low to mid-80s is typical for fixed-route bus service in mixed traffic in mid-sized and larger cities that experience congestion to any degree.

Chair Carr Williams asked if there was a particular route that we are concerned about. Dan Freudberg said not in particular, but they are reviewing trends and will take a deeper dive to see changes in land use, and ridership by the time of day and day of the week. Vice-Chair Miller said that she'd be surprised if ridership will ever get above 75%. CEO Bland said ridership is still below 40% on the RTA side. Also, as reported last month, two specific markets of concern were the downtown office workers who had previously made up a significant percentage of ridership, and Metro Nashville School students, whose ridership is significantly below pre-pandemic levels despite schools returning to in-person instruction.

There was no further discussion.

- VI. **New Initiative & Community Engagement Committee Report**: Vice-Chair Janet Miller presented the following items for discussion and action:

- a. **FY23 Operating Budget Update (NICE-D-22-016)**: CFO Ed Oliphant and Chief Executive Officer Steve Bland led a discussion on the Operating Budget Forecast with the Board to get their input and direction for planning and communication purposes as we enter the new fiscal year. Based on this discussion, and the direction set by the Board, staff will prepare operating and capital budget proposals for consideration at the June meeting.

Mayor Cooper filed his proposed FY2022-23 Operating Budget Proposal with Metro Council on April 29, 2022. As Metro funding makes up the single largest source of WeGo Public Transit's Operating Budget, knowing the level at which he is proposing to fund transit provides a much higher level of budget certainty for FY2022-23. The mayor's recommended budget includes our entire ask of \$62.6 million which includes funding for additional service improvements. The Metro Council will consider this proposal between now and the required budget adoption date of June 30. Part of that consideration included our appearance before the Council's Budget and Finance Committee meeting on Tuesday, May 24<sup>th</sup>.

As mentioned, Metro's annual subsidy makes up the single largest portion of our operating budget and is critical to maintaining our service levels as well as funding for service improvements. You will recall that Metro did restore WeGo to full funding plus inflation for FY2021-22 after reducing their support to the MTA by 44% in FY2020-21 due to severe financial pressure on the Metro budget, and the availability of temporary substitute funding from the Federal government under the CARES Act. FY2020-21 was preceded by 3 consecutive years when funding levels were frozen. Metro was also not able to honor our FY2021-22 request to fund proposed better Bus increases but did encourage the Board and the Board did approve seed funding for the service improvements using one-time COVID relief funding. These improvements were implemented in two phases – the first in October 2021 and the second in April 2022 – bringing our service levels to approximately 107% of their pre-pandemic level. This was done with the understanding (but not guaranteed) that Metro would consider funding the service increases on an ongoing basis in FY2022-23's baseline budget.

The mayor's recommended budget has done just that. He has recommended our total ask of \$62.6 million which includes an increase in our baseline budget for inflationary increases and the Better Bus service improvements implemented on April 4, 2022, as well as funding for a partial year for additional service improvements to be implemented sometime during FY2022-23.

Vice-Chair Miller said that the budget is the budget, and essentially, we're going to have to be on a moving train throughout the year. CEO Bland said that we will be conservative on the things that we have discretion over so that we can address the volatility. We will likely defer any potential position increases and other non-immediate initiatives to see how we deal with fuel costs and inflation. Some things are locked in such as wage rates through the collective bargaining agreement, but we know that we can't just lock in a budget on July 1<sup>st</sup> and ride it out for the year. We're going to have to ride the wave for a bit.

There was no further discussion at this time.

- b. Nestor Modernization Study Update (NICE-D-22-017):** Chief Development Officer Trey Walker provided the following update which included the uses and hindrances of the Nestor site including existing site deficiencies, risks for flooding, and obstacles to future considerations such as fleet expansion, zero-emission fleet conversion, surrounding development pressure, and potential project impacts. The goal of this session was to provide a broader context to the Board for future decision-making relative to investments in this facility, any transition to a zero-emission fleet, service expansion, and potential development opportunities.

The Nestor facility is the primary operations and maintenance facility for WeGo service. Except for major vehicle repairs, all operations and maintenance functions occur at the Nestor property. This includes fleet storage for over 300 vehicles, employee parking for approximately 550 employees, repair areas and service lanes for bus maintenance, administrative offices, transit stop, and shelter inventory, and building maintenance.

In June of 2021, the board authorized a task order for HDR Engineering, Inc. to evaluate various alternatives with the goals of providing more efficient use of space, equipping the facility to service a new generation of buses with alternative fuels, and analyzing the potential for fleet expansion with the current constraints of the property. Through an iterative approach

with operations and maintenance staff, HDR has reviewed existing conditions, and site limitations, and identified conceptual alternatives for the major capital renovation of the existing property. Additionally, HDR has provided space requirements for 'greenfield' sites that incorporate full and partial operations and maintenance programming should other locations be considered. Furthermore, development trends in and near downtown Nashville have the potential to alter the operating environment and access to the Nestor Facility.

Beyond the analysis of efforts at the Nestor property, there are additional considerations for future planning of operations and maintenance. One consideration is the expanded use of the Myatt facility for additional operations and maintenance functions. This would require additional operating costs for the fuel and deadhead trips covering the 12- mile distance to downtown Nashville.

There was a general discussion regarding the development trends in and around the downtown Nashville area and potential options to buy. The informal consensus among all members was that there were so many unknowns outside the MTA's direct control at this point in time (ie: potential upzoning of the neighborhood, potential Cumberland River Bridge encroaching on the property) that it would be prudent to delay detailed development of long-term modifications, but that we should remain close to the ongoing discussions and program capital projects necessary to keep the existing facility in a state of good repair.

There was no further discussion at this time.

**VII. CEO's Report:** CEO Steve Bland provided the following report:

1. CEO Bland thanked all of the board members and management staff for committing significant time last week toward our Governance workshop. The feedback that he's received from members and staff have been very positive. We generated a lot of ideas, and our Governance Counsel Doug Eadie with process those ideas into a recommended action plan that we should be able to begin to review in a little over a month.
2. With respect to the North Nashville Transit Center, construction bid documents will be released next week. CEO Bland said that he was very proud of the Development and Procurement teams for the outreach they've done up to this point in the Contractor community. We do expect to see significant interest in the project. With that said, we have discussed on a number of occasions the challenges in the current environment. CEO Bland said that he has spoken with a number of his peers, as well as other public agencies in Middle Tennessee bidding construction now, and they are seeing bids coming in significantly high, so we need to be prepared to address this scenario. We are also working with Members of the Metro Council to draft the language introducing legislation that carries out the Board's recommendations for naming the North Nashville Center, as well as WeGo Central.
3. CEO Bland, Ed Oliphant, and Eric Beyer attended a budget hearing with the Council's Budget and Finance Committee. The hearing went very smoothly, with some very good questions about ongoing services and projects.
4. We continue to be heavily involved with NDOT, the Mayor's Office, and Metro Planning on advancing mobility plans associated with pending East Bank development. The northern segment of this alignment will be moving fairly quickly, as Oracle is rapidly advancing plans for their campus with an expectation to break ground next year.
5. Relative to the East Bank project, but also with respect to broader initiatives, we had the opportunity to accompany Metro Planning, NDOT, and Mayor's Office staff on a tour of various prospective transportation initiatives with senior leadership from the US Department of Transportation in Washington, DC earlier this week. In addition to looking at the East Bank opportunities, we visited the site of the North Nashville Transit Center, the future SoBro Transit Hub, and the Murfreesboro Pike corridor, all targeted for future investments.

6. Work continues on the Connect Downtown mobility study. Earlier this week, a number of our staff were engaged with the project consultant team and a variety of stakeholder organizations on some goal-setting exercises and general background development.
7. CEO Bland said that he had the opportunity to spend time with Meredith Montgomery, the new Executive Director for Walk-Bike Nashville. Meredith is relatively new to Middle Tennessee. We've had a number of excellent collaborations with Walk Bike Nashville, and he reported that he is encouraged by the energy and experience she brings to her position.
8. On the RTA side:
  - a. Our 2-year process to completely rebuild all 4 locomotives on the WeGo Star is now complete, and all 4 have been accepted into revenue service.
  - b. We are awaiting proposals on a future visioning study for the WeGo Star. With changing commute patterns post-pandemic, and various growth and development opportunities along the Star corridor, we thought it was time to take a step back and assess the future direction of the Star. Although the study is specifically targeted at the Star, we do expect many of its findings to be more broadly applicable to all regional markets as begin to update the nMotion Plan later this year.

CEO Bland availed himself of questions and there were none at this time.

**VIII. Chair's Report:** Chair Carr Williams provided the following report:

Chair Carr Williams acknowledged and thanked CEO Bland and members of the leadership team for attending the Board Governance workshop. She said it was a productive meeting and we had great ideas about how we want to be governed.

Chair Carr Williams said the board reports were somewhat daunting, but it reminds us of the times that we're living in. She said we're all struggling to get through the budget, how to fix the sinkhole, and how to get people back on the buses. Again, it's a sign of the hard times that we're living in right now and that's why it's so important that we all respect each other, care for one another, treat everyone with kindness, and have patience and grace with one another. She said that it is critically important that we bring that grace to these meetings each month. It doesn't matter if you're a staff member, board member, or a member of the community; it's all our responsibility that we make transit in Nashville safe and inclusive for all.

In conclusion, Chair Carr Williams wished everyone a Happy Memorial Day weekend.

**IX. Other Business:** There was no other business to come before the Board at this time.

**X. Adjournment:** With no further business, Chair Carr Williams called for a motion to adjourn the meeting, a proper motion was made and seconded and the meeting was adjourned at 3:38 p.m.

**Attested:**

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**Gail Carr Williams**  
*Chair*

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**Margaret L. Behm**  
*Secretary*