



MINUTES
EXECUTIVE COMMITTEE MEETING
REGIONAL TRANSPORTATION AUTHORITY

August 20, 2025

- I. **Call to Order:** The regular meeting of the Board of Directors of the Regional Transportation Authority (RTA) of Middle Tennessee was convened on Wednesday, August 20, 2025, at the Greater Nashville Regional Council, located at 44 Vantage Way, Suite 450, Nashville, TN 37228. As a quorum of the full board was not reached, the Executive Committee meeting was officially called to order at 9:30 a.m. by Board Chair, Mayor Randall Hutto

Executive Committee Members in Attendance:

Mayor Randall Hutto – Wilson County, Chair
Mayor Paige Brown – City of Gallatin, Vice Chair
Mayor Freddie O'Connell – Davidson County
Mayor Rick Bell – City of Lebanon
Ed Cole – Davidson County (Gov. Appt.)
Mayor Billy Vogle – Robetson County
Kelly Dannenfelser – Williamson County (Gov. Appt.)
Ken Davis – Wilson County (Gov. Appt.)

Others Present:

Mayor Nelson Andrews – City of Brentwood
Jason Gage – City of Brentwood
Mike Callis – City of Portland
Mayor Jamie Clary – Hendersonville
Ed Elam – Rutherford County
Russ Bradshear – City of Murfreesboro (Alt.)
Gerald Herman – City of White House (Alt.)

- II. **Approval of Minutes:** Ed Cole made a motion to approve the minutes from the June 18, 2025, Executive Committee meeting. Mayor O'Connell seconded the motion, and the Executive Committee unanimously approved the minutes.
- III. **Public Comments:** No members of the public requested time to speak.
- IV. **Finance Committee Report:** Mayor Ken Moore presented the following for discussion:
- a. **Monthly Financial Report Compared to Budget (R-D-25-016):** Mayor Ken Moore presented the Statement of Operations for June 2025, comparing actual results to the approved FY2025 budget. Ms. Vandegrift was present and available to answer questions; however, the committee had none, and no further discussion followed.
- b. **RTA Local Funding Issues Update (R-D-25-021):** Amanda Vandegrift, Deputy CEO of Finance & Administration, reviewed the status of partner funding (local, state, and federal):

The report outlined the financial status of RTA's member dues, local partner contributions, and federal/state funding that support FY2026 operations.

Member Dues & Local Contributions

- FY2026 invoices were sent in March 2025. As of August 6, 2025, RTA received \$135,547 in dues (14 members) and \$339,386 in contributions from several partners.
- Sumner County failed to pay FY2025 dues (\$6,124). A proposed policy change would allow RTA to use Sumner County's reserves to cover the unpaid balance.
- Several partners continue to draw down reserves instead of making full contributions, and many will need to increase funding in FY2026 to maintain existing service levels.

Corridor Highlights

- WeGo Star: Needs \$126,000 in new annual contributions. Only Wilson County has fulfilled its agreed-upon increase.
- Southeast Corridor (84X/86X): Smyrna and Lavergne increased FY2026 funding, but MTSU still owes \$15,588. Reserves for MTSU, Smyrna, and La Vergne will be depleted in FY2026; Rutherford County's by FY2029.
- 87X (Sumner/Hendersonville): Reserves deplete by FY2031–FY2032.
- 88X (Dickson): Reserves depleted by FY2029; both Dickson partners must raise contributions.
- 89X (Springfield/Robertson): Reserves deplete by FY2033–FY2034; partners must increase funding.
- 94X, 95X, Davidson County: Reserves continue to grow with current contributions.

If services like 84X/86X, 87X, or 89X are discontinued, RTA would lose future CMAQ funding eligibility, significantly increasing local subsidy needs.

Federal and State Funding

- Most regional bus routes rely on CMAQ funds (80/20 match).
- \$6.4M in CMAQ funds is currently available, with \$808K to close FY2025 and \$3.48M in Carbon Reduction Program funds pending conversion to CMAQ. These funds are projected to run out by early FY2029.
- WeGo Star and 88X Dickson are ineligible for ongoing CMAQ; the 88X uses \$5307 funds (50/50 match), with \$392,376 available.

There was a general discussion.

- c. **Debt Obligation Notification (R-D-25-022)**: Mayor Ken Moore presented the following item for discussion:

In June 2025, the RTA Board approved renewing its line of credit with Fifth Third Bank for up to \$5 million, effective July 1, 2025, with an initial draw of \$1.5 million. Although usage has declined in recent years, the line of credit remains essential for managing cash flow delays caused by federal grant funding timing.

Per state requirements, RTA filed a Report of Debt Obligation with the Tennessee Comptroller's Office on July 23, 2025, and received acknowledgment on July 30, 2025.

Loan Details:

Type: Revolving Credit Promissory Note

Term: 1 year (matures June 30, 2026)

Interest Rate: Variable, Prime minus 1.8%

Legal Fees: \$1,250 (paid to Dickenson Wright Law Firm)

Non-Use Fee: 7.5 basis points on unused funds (max \$3,750 per year)

RTA will repay any outstanding balance as soon as grant funds are received to minimize interest costs.

There was a general discussion.

- d. **RTA Regional Bus Service Reserves Policy Revision (R-A-25-016)**: Amanda Vandegrift, Deputy CEO of Finance & Administration, presented the following item for action:

RTA member jurisdictions make two types of payments:

- Annual Dues – assessed at \$0.10 per resident based on the latest census.
- Service Contributions – paid by jurisdictions receiving bus or rail service, calculated by service level, cost, offsetting revenues (such as grants), and the number of participating local partners.

In 2017, the RTA Board created a Corridor Reserve Policy to build reserves for regional bus services, protecting against the loss of major funding sources like federal CMAQ funds. Each corridor's reserves are held in separate accounts and tracked by jurisdiction. Reserves can currently be used only for operating costs, not membership dues. The policy was expanded in 2022 to include the WeGo Star Corridor.

For the first time, in FY2025, a member jurisdiction with a large reserve balance did not pay its annual dues, despite not formally withdrawing from the Authority. After review, RTA's General Counsel advised that using reserves to cover dues would be legally permissible if the Board formally adopted a policy allowing it.

Ed Cole inquired whether the policy revision would resolve the current dues shortfall from Sumner County and return them to membership in good standing. Ms. Vandegrift explained that it would allow immediate payment of outstanding 2025 dues and, if necessary, 2026 dues using reserves.

Mayor O'Connell sought clarification on whether this relates to the Southeast Corridor reserve category, noting that those are jurisdictional reserves. He asked if they are specific to each partner or considered general reserves. Ms. Vandegrift clarified that, as has always been the case, each corridor has its own individual financial plan. Therefore, reserves would only be used for that specific partner's contributions or dues, consistent with current practice, but now expanded to include dues as well.

Mayor Callis noted that the concern appears to be more about participation than financial capacity. He suggested sending a letter to the Budget Chair of the Sumner County Commission regarding the County's participation in the RTA, along with a follow-up email to all Board members. CEO Bland agreed to do so.

Jason Gage asked about the intended use of the reserves. CEO Bland responded that the reserve policy originated years ago to ensure continuity of service if federal funding sources like CMAQ were lost. It was not initially meant to cover membership dues, only service contributions. The intent is to use reserves to immediately cover unpaid 2025 dues and potentially 2026 dues if needed. Each corridor has its own reserve fund tied to that specific jurisdiction, and the reserves are billed to reflect service contributions rather than member dues.

Gerald Herman asked how the situation would be addressed if a county failed to pay its dues and service reductions became necessary. CEO Bland explained that the proposed change would allow reserves to be used to cover dues for jurisdictions that miss payments, keeping them in good standing. Each instance of reserve use would require Board approval, preferably during the annual budget process if anticipated in advance. He noted that even if a County, such as Sumner, delays or misses payments, there would be no immediate impact on service. However, continued reliance on reserves without replenishment would eventually reduce available funds and could affect long-term service levels.

CEO Bland also noted that some jurisdictions, such as Brentwood, contribute dues but do not receive direct service. The proposed policy ensures that these jurisdictions remain active members, even if dues are paid through reserves.

The Finance Committee recommended that the Board adopt the attached Regional Bus Service Reserve Policy dated August 13, 2025, and that approval of specific jurisdictions for the use of their reserves toward dues payments be incorporated into the annual budget resolution.

Mayor Ken Moore moved to approve the RTA Regional Bus Service Reserves Policy Revision. Ed Cole seconded the motion, and the Executive Committee unanimously approved it.

V. Audit Committee Report: Mayor Ken Moore presented the following item for discussion:

- **RTA Auditing Services (R-A-25-017):** RTA fulfilled its FY2024 audit obligations under its existing contract with Crosslin PLLC. On March 17, 2025, RTA issued a new RFP for audit services, receiving three timely and responsive proposals from Crosslin, Certified Public Accountants, Clifton Larson Allen, and Mauldin & Jenkins LLC

After evaluation, the committee selected Crosslin to continue as RTA's external auditor for a five-year term, with a total contract value of \$145,000. Annual costs are as follows:

- | | |
|--------------------|--------------------|
| • FY2025: \$27,500 | • FY2028: \$29,750 |
| • FY2026: \$28,250 | • FY2029: \$30,500 |
| • FY2027: \$29,000 | |

Thomason Financial Resources will participate as a DBE, accounting for approximately 20% of the contract. Prices are fixed and align with current market rates. While no additional services are anticipated, any future specialized work would be billed at standard hourly rates. The contract includes an annual cancellation clause for either party.

The Audit Committee recommended that the RTA Board enter a five-year contract for annual external audit services with Crosslin PLLC for a total contract value of \$160,000, including \$145,000 for annual audit services and a contingency amount of \$15,000 for any unanticipated audit services that may be needed over the contract period.

Mayor Ken Moore motioned to approve the RTA Regional Bus Service Reserves Policy Revision. Mayor Freddie O'Connell seconded the motion, and the Executive Committee unanimously approved it.

VI. Operations Committee Report: Committee Chair Mayor Rick Bell presented the following for discussion:

- Monthly Operating Statistics (R-D-25-017):** Mayor Rick Bell presented the RTA Monthly Dashboard Report for June 2025 to the Executive Committee. Mr. Burke was present and available to answer questions; however, the committee had none, and no further discussion followed.
- Donelson Joint Development Update (R-D-25-024):** Debbie Frank, Deputy CEO for Growth and Development, provided a project update:

On June 13, 2022, RTA received an unsolicited proposal from H.G. Hill and Southeast Venture (HGH/SV) to lease RTA property near Donelson Station for a mixed-use development including housing, commercial, and retail space. The project aims to enhance the station area, maintain rail parking, and add a transit center supporting airport and local bus connections, while also generating long-term revenue for RTA.

Following RTA's Unsolicited Proposals Policy, the Board authorized a 24-month exclusive negotiation period on October 19, 2022, for the CEO and HGH/SV to develop a formal joint development agreement covering design, financial terms, and a long-term ground lease.

Since then, extensive planning, design, studies, and appraisals have been completed. RTA has also secured over \$29 million in local, state, and federal funding to support related public infrastructure, including station improvements, the transit center, quiet zone implementation, and intersection upgrades.

To allow time to finalize the agreement, the RTA Board extended negotiations by one year, to October 19, 2025. If acceptable terms with HGH/SV and the FTA cannot be reached, RTA will proceed independently with the transit center, station improvements, and infrastructure projects.

Mayor O'Connell asked if the negotiation period would be extended if terms were not finalized by October 19th. Ms. Frank indicated the Board would likely be asked to approve any extension. CEO Bland noted there are advantages to extending negotiations if the developer is not fully ready.

There was no further discussion.

VII. CEO's Report: CEO Bland presented the following report:

Murfreesboro Park and Ride: RTA has taken possession of the former church property and completed demolition. Work is underway with the City of Murfreesboro on design and permitting, including access to the newly completed city transit center adjacent to the site.

Franklin Park and Ride: RTA is collaborating with the City of Franklin and a private developer to evaluate the feasibility of adding a park-and-ride facility within a new development project.

Titans Express: The WeGo Star will again operate as Titans Express for all Tennessee Titans home games. RTA is in discussions with the Titans to expand the partnership for the upcoming season.

Contactless Payment Launch: Contactless fare payment is now available across all WeGo services, including WeGo Public Transit, RTA Regional Bus, and the WeGo Star, allowing customers to pay using credit or debit cards.

VIII. Chair's Report: Mayor Hutto thanked everyone for attending the meeting.

IX. Other Business: No other business came before this board.

X. Adjournment: With no further business, Mayor Hutto called for a motion to adjourn. Mayor Freddie O'Connell motioned to adjourn the meeting, which was adjourned at 10:10 a.m.

Respectfully submitted:

Ed Cole, RTA Secretary & Davidson County
Governor Appointee