



Nashville MTA Board Meeting

Tennessee Bankers Association

211 Athens Way | Nashville, TN 37228

May 26, 2022 | 2:30 p.m.

Board Members:

Gail Carr Williams, Chair
Jessica Dauphin
Mary Griffin

Janet Miller, Vice Chair
Walter Searcy

1. Call to Order
2. Roll Call
3. Approval of the April 28, 2022 MTA Board Minutes
4. Public Comments
5. **Operations & Finance Committee – Walter Searcy, Chair**
 - Monthly Financial Report Compared to Budget – Ed Oliphant, Chief Financial Officer **OF-D-22-013 P. 7**
 - Monthly Operating Statistics – Andy Burke, Chief Operating Officer **OF-D-22-014 P. 10**
 - Quarterly Route Performance Report – Dan Freudberg, Deputy COO - Operation Systems **OF-D-22-015 P. 15**
 - Upcoming Procurement Projects List **P. 17**
6. **New Initiatives & Community Engagement Committee – Janet Miller, Chair**
 - FY23 Operating Budget Update - Ed Oliphant, CFO **NICE-D-22-016 P. 19**
 - Nestor Modernization Study Update – Trey Walker, CDO **NICE-D-22-017 P. 25**
7. **CEO’s Report – Stephen G. Bland, CEO**
8. **Chair’s Report – Gail Carr Williams, Chair**
9. **Other Business**
10. **Adjournment**

NASHVILLE METROPOLITAN TRANSIT AUTHORITY
Board of Directors Meeting

March April 28, 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, April 28, 2022.

II. **Roll Call of Persons Present:** Gail Carr Williams, Chair; Walter Searcy, Member; Mary Griffin, 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 Marketing & Communications Renuka Christoph; Director of Maintenance Carl Rokos; Director of Planning & Grants Felix Castrodad; and Sr. Executive Assistant & Board Liaison Monica Howse.

A quorum was established, and Chair Gail Carr Williams called the meeting to order at 2:41 p.m.

III. **Approval of Minutes:** Walter Searcy made a motion to approve the March 24, 2022, MTA Board minutes; the motion was seconded by Jessica Dauphin, 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 concerns over the condition of many of the older buses and he provided the Board members with documentation of some of his concerns.

V. **New Initiative & Community Engagement Committee Report:** In the absence of Vice-Chair Janet Miller, Board Member Mary Griffin presented the following items for discussion and action:

a. **Honorary Naming of WeGo Central and the North Nashville Transit Center (M-A-22-008):** Chief Administrative Officer Rita Roberts-Turner presented the following:

The NICE Committee recommended the Board adopt the resolution recommending that the Metropolitan Council authorize the naming of WeGo Central after Elizabeth Duff and the naming of the upcoming North Nashville Transit Center after Ernest "Rip" Patton.

Chair Carr Williams opened the floor for discussion and comments. She first recognized the presence of a number of members of both the Patton and Duff families who made the effort to attend today's meeting. She and members of the Board expressed what an honor and privilege it was to be able to vote for something this great and transformative for the city of Nashville and to be able to recommend to Council to rename WeGo Facilities in honor of Ms. Elizabeth Duff and Mr. Ernest "Rip" Patton. Chair Carr Williams said she shares in their grief and knows how hard it is to come to things like this, but she appreciates the way that both families showed up to represent their family legacy and celebrate all the contributions that they both made to the community and for the city of Nashville.

There was no further discussion, and the vote of approval was unanimously approved by the Board.

There was a brief break taken so that members of the Board could greet and take photos with the Duff and Patton families, and the meeting was called back to order by Chair Carr Williams.

b. **WeGo Youth Action Team Year-End Report (NICE-D-22-015):** Director of Marketing, Communications & Sales Renuka Christoph introduced the Oasis Center Youth Action Team, who in turn presented the following 2021-2022 school year progress report:

WeGo Public Transit has partnered with the Oasis Center since 2013 to engage high school students in representing student riders and facilitating outreach with schools. Students are led under the supervision of Adrianna Carter, the Oasis Center Youth Action Team (YAT) Program Coordinator. WeGo's Community Outreach and Engagement Specialist has facilitated program activities between the Oasis Center and WeGo since 2017.

This year, YAT is a group of eight high school students who meet weekly to participate in leadership development, team-building skills, and:

- Meet with WeGo staff and tour transit facilities,
- Develop travel training for youth audiences,
- Experience WeGo through monthly excursions,
- Advocate for increased ridership and Metro funding,
- Assist with community outreach events, and
- Create social media posts for youth audiences

Current YAT members represent Hume-Fogg Academic High School, Cane Ridge High School, University School of Nashville, and Martin Luther King, Jr. Magnet High School.

Chair Williams and members of the Board expressed their appreciation for the Youth Action Team being present and for an outstanding presentation given at the meeting. She thanked them for all their support for WeGo and the city of Nashville.

There was no further discussion at this time.

VI. 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-22-011): Chief Financial Officer Ed Oliphant reported and reflected on the statement of operations for February 2022 compared to the budget and a balance sheet as of February 28, 2022

Chief Financial Officer Ed Oliphant availed himself of questions and there were none at this time.

b. 5-Yr. Acquisition Contract & Initial Purchase of 60-Foot Articulated Buses (M-A-22-006): Chief Operating Officer Andy Burke & Director of Maintenance Carl Rokos reported the following:

The staff recommended that the Board of Directors provide the Chief Executive Officer authority to execute a purchase contract for the initial fourteen (14) replacement 60' Articulated buses from New Flyer of America Inc. and up to fifty (50) Articulated buses total over the next five (5) years. The staff also recommended that any subsequent purchases for the duration of the contract be accompanied by a similar analysis of the status of the company's diversity, equity, and inclusion program prior to award.

The total sum for the initial purchase of fourteen (14) 60' Articulated Clean Diesel Buses is \$11,587,500 (\$827,678.56 per bus). This cost includes necessary tools and training. Funding for this project is currently available through grants made for this purpose by the Federal Transit Administration (FTA) under the Section 5307 urbanized area formula program, Tennessee Department of Transportation (TDOT) matching funds, and previously approved Capital Spending Plans of the Government of Metropolitan Nashville and Davidson County.

There was a general discussion on the delivery schedule for these buses, and the acquisition of these buses was unanimously approved by the Board.

c. Acquisition of Small Buses Using Emergency Procurement Procedures (M-A-22-007): Chief Operating Officer Andy Burke presented the following report:

The staff recommended that the Board provide the Chief Executive Officer authority to approve a purchase order for the purchase of six (6) replacement Body on Chassis Cutaway Buses from Southern Bus and Mobility for the attainment of replacement vehicles used in WeGo

Access Service. Staff is requesting that the Board approve this purchase as a sole source procurement under the Authority's Emergency Procurement Procedures, due to the critical shortage of chassis for this type of bus on a global basis. Further, the staff explained that the recommendation was to use 100% local capital funding for this project, as this equipment does not meet the Buy America requirement necessary to utilize Federal funds. This is due to the fact that the bus is built on a Chevrolet chassis (instead of the usual Ford chassis) and, while the Chevrolet chassis is assembled in the United States, it contains a sufficient volume of components imported from Mexico that it does not meet Federal requirements for domestic content.

The total sum for this purchase is not to exceed \$1,140,000 (\$190,000 per bus), the cost per bus includes tools and training. Purchase of the vehicles will be funded with 100% local funding provided under previous Metro Nashville Capital Spending Plans toward the replacement of Access vehicles. We anticipate delivery of these vehicles this calendar year.

There was a general discussion and a question raised from the board as to why we are only ordering six buses when there is a need for fifty buses. COO Burke explained that, while we would love to acquire more buses, there are only six available from this manufacturer at this time. This purchase will not be sufficient to resolve our concerns with the age of the small bus fleet (where over 50% of our small bus fleet has already exceeded its useful life) but six new buses is better than no new buses.

There were additional discussions regarding the preventative maintenance of Chevrolet Chassis vehicles vs. Ford E450s and if our maintenance team can work on them. COO Burke reported that we will need to develop separate inspection checklists based on the new manufacturer's recommendations, but this is typical in our transit bus fleet where we currently operate 3 different makes of vehicles. Because the bus is built on a commercial chassis common to many applications, parts are generally widely available apart from ongoing supply chain issues.

Mary Griffin applauded the operations team for their creativity in purchasing more buses. She asked if the operations team has thought about polling the bus drivers and riders on the types of ADA equipment needed for a better riding experience. COO Burke said we hired KFH to help us with the Access Improvement Study, and some of the things that we're looking at are vehicle capacity, as well as introducing fleet. The Board received an update from KFH several months ago, and we expect them to return with additional updates in the coming months.

There was no further discussion, and the vote of approval was unanimous by the Board.

- d. **Monthly Operating Statistics (OF-D-22-012)**: Chief Operating Officer Andy Burke reported and reflected on the monthly operating statistics report through February 2022.

In providing context on comparisons to last February's numbers, it is important to note that February 2021 saw a major winter weather event that resulted in the cancellation of nearly 10% of scheduled services for the month. Consequently, the year-over-year increases in ridership, productivity, and trip completion percentage all have significant spikes.

The Fiscal Year to Date numbers provides a less volatile picture of ongoing trends, which show a continued steady recovery in ridership and strong increases in bus trip completion rates and miles between road calls.

There was a general discussion and a question raised from board member Jessica Dauphin; she asked if the operations team had performed any polling to see why our ridership is stagnating at 75% and hasn't returned to pre-pandemic numbers. CEO Bland said that ridership is not actually stagnating. The winter weather reported for February by COO Burke depressed ridership for February, but more recent information from March and early April indicates that ridership is continuing to return, if not as quickly as we would like. He further explained that two specific markets of concern were 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.

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

1. CEO Bland thanked Board Chair Gail Carr Williams and everyone who participated in last month's meeting in his absence.
2. He reported that, due to a decision by a U.S. District Court Judge in Georgia, the Centers for Disease Control and Transportation Security Administration can no longer enforce a mandatory mask requirement on public transportation. While the decision still leaves the discretion to require masking in the hands of local entities, Tennessee State Law prohibits local entities from enforcing a mask requirement without a waiver from the Officer of State Comptroller. We had received that waiver when the law was originally passed based on the Federal mandate but were required to notify the Comptroller's Office if the underlying reason for the waiver request were to change. We have done so, and masks are no longer required on our vehicles or in our facilities, although any customers or employees who choose to wear a mask are welcome to do so.
3. CEO Bland thanked everyone for attending the ribbon-cutting for the Hillsboro Transit Center on March 31st. The event was extremely well attended, but a bit chilly. So far, the Center is working quite well and is being very well received. He said that he's heard from several folks in the Green Hills area who've stopped by just to see it and have told him how impressed they were and that it takes transit up a notch in Nashville.
4. Your earlier action on naming recommendations for the North Nashville Center is very timely, as we anticipate issuing construction bid documents for this project in the coming weeks and commencing construction later this year. We have also begun advanced planning for a Regional Transit Center in Antioch. As you likely read, the Metropolitan Council voted to approve a purchase of land on the site of the former Global Mall at the Crossings. Metro Planning is initiating a "Global Mall Area Study" to identify short and long-term development opportunities for the property, and we will be actively participating in consultant selection and in the study itself to site a future center on the property. Toward that end, Hannah Schaeffer on our staff has done yeoman's work putting together the environmental documents that will allow us to advance project development with our federal funds, and Congressman Cooper's Office asked us to put together a project prospectus for his Office to help seek discretionary Federal funding. This area will be an ideal location for a regional center. In addition to its location at the end of our busiest route and existing uses such as the Southeast Community Center, Library, Ford Ice Center, and a campus of Nashville State Community College, long-term plans could include Vanderbilt University Medical Center healthcare facilities and a KIPP Academy High School.
5. Speaking of the Southeast Community Center, CEO Bland said that he was pleased to be able to attend Mayor Cooper's State of Metro address yesterday. During his remarks, he acknowledged the work we've been doing to increase the number of covered bus stops in Nashville. The mayor's proposed budget ordinance will be transmitted to Council tomorrow. As you know, we requested an increase of \$6.8 million in baseline funding to cover fully year operation with the Better Bus service expansion that we initiated this past month, and an additional \$3.9 million in investment funds to fund partial year implementation of the next phase Better Bus service improvements in FY2023. These improvements will include such enhancements as completing our span of service improvements on the frequent network and local service routes, expanding Access on Demand Service to weekends, additional off-peak and weekend frequency improvements on several routes, all day frequency improvements on our Hillsboro and 8th Avenue routes, and additional WeGo Link mobility on demand zones.
6. Our development team is continuing to make very good progress on our shelter expansion program. 19 new sites have been constructed in the past year, and 13 more are in current

development, including 6 sites in North Nashville that were specifically identified through the Mayor's Office participatory budgeting process.

7. 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. This process could present many generational opportunities to enhance overall mobility for the region, including the development of high-capacity transit corridors. This month, Metro Council approved NDOT's submittal of an application to USDOT for funding that would support more advanced planning, environmental review, and preliminary design for the transportation improvements associated with this project.
8. Indicative of the rapid growth we're seeing in the Downtown Core, our Planning staff has also been involved in a study of the Pie Town area of downtown for possible mobility implications. This section of downtown, essentially connecting the Gulch and SoBro, is expected to see a major uptick in a high-density development in the coming years and Metro is attempting to incorporate improvements into the transportation network before it's too late.
9. Several of us, including Jessica, participated in NDOT's kickoff meeting for the Connect Downtown mobility study late last month. This study will attempt to identify alternatives and a plan of action to improve the overall operation of downtown right of way, including the flow of transit vehicles. Findings are anticipated in 2023.
10. CEO Bland said that he participated in a panel discussion on the Nashville transportation issues with Diana Alarcon from NDOT for a group of visitors from Portland, Oregon. It was interesting to share perspectives with other cities.
11. CEO Bland thanked Zeda Riggs and the Customer Care team for putting together a Community Resource Fair on the plaza next to WeGo Central yesterday. Customers had the opportunity to visit booths hosted by several community organizations. Fortunately, the weather cooperated, and it was a beautiful day.
12. CEO Bland thanked all the Board members and staff for confirming their availability for a "most of the day" Board Governance workshop that is scheduled for May 19th. He said final meeting logistics are underway and the meeting invitation would go out sometime next week.
13. On the RTA side:
 - a. The RTA has received all 10 buses ordered for the regional commuter bus service. All 10 have been assigned to MTA-operated services in the Rutherford County corridor.
 - 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 for his leadership, the staff, and Board members for being good stewards and for representing WeGo so well. She expressed her excitement again about the renaming of all the WeGo facilities and thanked the Duff and Patton families for being present at the meeting and for working with us to make this day possible. Lastly, she thanked CAO Rita Roberts-Turner and Board Secretary Margaret Behm for working on the legal aspects of the New Flyer bus purchases and the renaming of WeGo Facilities.

Chair Carr Williams said that she thought the Hillsboro Ribbon Cutting Ceremony was awesome and she couldn't have asked for a better day, except for it being very cold outside. She said all the students seemed to be excited about the Transit Center and that's what it's all about; building

transit centers for generations to come. She thanked everyone for their hard work and for making that event a huge success.

Chair Williams thanked CFO Ed Oliphant and CEO Bland for the great budget report that was presented at the meeting and that she was already anticipating next month's budget report.

In conclusion, Chair Carr Williams gave kudos to Renuka Christoph and the Marketing, Sales, and Communications team; she said it's not often that she's on social media, but she recently viewed the website and it's really looking good.

- 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 4:06 p.m.

Attested:

Gail Carr Williams
Chair

Margaret L. Behm
Secretary

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Committee Discussion Item

Committee Action Item

Board Discussion Item

Item Number:	OF-D-22-013	Meeting Date:	05/26/2022
Item Title:	Monthly Financial Report Compared to Budget		

BACKGROUND:

Attached is a statement of operations for the month of 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 payable to RTA of approximately \$24,000 for fares collected as well as Easy Ride revenue sharing due.

There are no other anomalies to highlight this month.

CURRENT STATUS:

Chief Financial Officer Ed Oliphant will be available to answer questions at the committee meeting.

APPROVED:



Chief Financial Officer

May 20, 2022

Date

Metropolitan Transit Authority
Statement of Operations Compared to Budget
For the Period Ending March 31, 2022

UNAUDITED

	Actual Month	Month Budget	Month End Variance	F / U	Prior Year Y-T-D	Actual Y-T-D	Budget Y-T-D	Y-T-D Variance	F / U	Annual Budget
Revenue from Operations:										
Passenger Fares	\$601,390	\$338,940	\$262,450	F	\$2,589,338	\$4,449,307	\$2,975,300	\$1,474,007	F	\$4,049,030
Access Ride	74,540	42,560	31,980	F	359,202	520,486	358,740	161,746	F	513,250
Contract Revenues	231,320	251,225	(19,905)	U	1,204,961	1,822,606	2,139,650	(317,044)	U	3,081,550
Advertising	44,526	37,570	6,956	F	458,211	534,473	405,420	129,053	F	502,070
Other Non-Trans Revenue	137,230	110,415	26,815	F	299,002	908,534	997,025	(88,491)	U	1,336,065
Total Operating Revenue	1,089,006	780,710	308,296	F	4,910,714	8,235,406	6,876,135	1,359,271	F	9,481,965
Federal/State/Local Income:										
Local Assistance	0	6,585,900	(6,585,900)	U	27,315,700	47,500,000	51,835,900	(4,335,900)	U	51,835,900
State Assistance	0	0	0	F	5,098,600	5,170,200	5,098,610	71,590	F	5,098,610
Federal Assistance - CARES Act	3,095	908,190	(905,095)	U	26,227,891	395,973	908,190	(512,217)	U	3,618,135
Total Assistance Income	3,095	7,494,090	(7,490,995)	U	58,642,191	53,066,173	57,842,700	(4,776,527)	U	60,552,645
Capital Revenue:										
American Rescue Operating Reimbursement	0	0	0	F	0	14,000,000	14,000,000	0	F	23,303,190
Capital Operating Reimbursement	0	0	0	F	3,750,000	0	0	0	F	0
Capital ADA Reimbursement	0	0	0	F	0	0	0	0	F	0
Total Capital Income	0	0	0	F	3,750,000	14,000,000	14,000,000	0	F	23,303,190
Total Revenue	\$1,092,101	\$8,274,800	(\$7,182,699)	U	\$67,302,905	\$75,301,579	\$78,718,835	(\$3,417,256)	U	\$93,337,800
Expenses from Operations:										
Labor and Fringes	\$5,749,348	\$5,751,240	\$1,892	F	\$48,437,436	\$51,687,698	\$51,326,624	(\$361,074)	U	\$68,869,115
Services	968,429	943,470	(24,959)	U	6,648,618	7,565,869	8,272,735	706,866	F	11,129,395
Fuel	229,928	287,755	57,827	F	2,343,299	1,850,096	2,377,495	527,399	F	3,178,400
Parts, Materials and Supplies	467,944	523,220	55,276	F	3,817,362	3,823,786	4,364,670	540,884	F	5,832,870
Utilities	121,072	126,710	5,638	F	885,874	1,029,669	1,055,145	25,476	F	1,410,220
Casualty and Liability	184,258	191,880	7,622	F	1,664,346	1,647,087	1,755,060	107,973	F	2,318,600
Other	31,027	42,850	11,823	F	168,734	287,956	470,275	182,319	F	599,200
Total Operating Expenses	7,752,006	7,867,125	115,119	F	63,965,669	67,892,161	69,622,004	1,729,843	F	93,337,800
Surplus / (Deficit) before GASB 33	(\$6,659,905)	\$407,675	(\$7,067,580)	U	\$3,337,236	\$7,409,418	\$9,096,831	(\$1,687,413)	U	\$0
Capital Grant Revenue	949,946		949,946	F	18,359,344	5,354,307		5,354,307	F	
Capital Grant Revenue -CARES Act	200,096		200,096	F	46,636	524,218		524,218	F	
Rental income - MCC Amortization	49,167		49,167	F	442,503	442,503		442,503	F	
Gain/(Loss) on Sale of Property	0		0	F	(111,802)	0		0	F	
Depreciation	(1,922,833)		(1,922,833)	U	(15,331,328)	(17,820,438)		(17,820,438)	U	0
Surplus / (Deficit)	(\$7,383,529)	\$407,675	(\$7,791,204)	U	\$6,742,589	(\$4,089,992)	\$9,096,831	(\$13,186,823)	U	\$0

Metropolitan Transit Authority

Comparative Balance Sheets

	Month Ended March 31, 2022	Month Ended June 30, 2021
	(unaudited)	(Audited)
CURRENT ASSETS		
Cash and cash equivalents	\$8,770,755	\$5,291,154
Receivables from federal, state and local government	591,501	4,232,776
Accounts receivable	1,192,948	746,944
Materials and supplies	3,415,712	2,982,464
Prepaid expense and other	1,656,689	1,420,871
Pension & OPEB Deferred Outflow	29,001,549	29,001,549
Total Current Assets	44,629,154	43,675,758
PROPERTY AND EQUIPMENT		
Land	14,733,025	14,733,025
Building, shelter and benches	110,826,837	110,514,846
Revenue equipment and parts	193,331,284	193,189,375
Office furniture and equipment	6,262,228	6,145,705
Other	14,093,245	8,729,214
	339,246,619	333,312,165
Less: Accumulated Depreciation	(184,048,461)	(166,287,998)
Total Property and equipment, net	155,198,158	167,024,167
OTHER ASSETS		
Cash and investments for self-insurance and other	731,602	350,000
TOTAL ASSETS	\$200,558,914	\$211,049,925
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$1,067,904	\$1,929,138
Accrued expenses	5,715,088	7,718,662
Deferred revenue	75,283	57,547
Note Payable	0	3,000,000
Total Current Liabilities	6,858,275	12,705,347
NON-CURRENT LIABILITIES		
Deferred Revenue	6,344,946	6,787,449
Net Pension Liability	16,130,285	16,130,285
Pension & OPEB Deferred Inflows	3,132,430	3,132,430
Net other postemployment benefits obligations	103,168,732	103,168,732
NET ASSETS		
Invested in capital assets	148,853,212	157,236,718
Reserve for capital purchases	0	0
Unrestricted	(80,220,576)	(81,038,246)
Current Year Surplus / (deficit)	(4,089,992)	(7,072,790)
Total Net Assets	64,542,644	69,125,682
TOTAL LIABILITIES AND NET ASSETS	\$200,558,914	\$211,049,925

	Current	> 30 days	> 60 Days	> 90 days	Total
Accounts Receivable	\$1,102,031	\$57,111	\$23,673	\$10,133	\$1,192,948
	92.4%	4.8%	2.0%	0.8%	100.0%
Accounts Payable	\$989,059	\$46,998	\$4,124	\$27,723	\$1,067,904
	92.6%	4.4%	0.4%	2.6%	100.0%

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Committee Discussion Item

Committee Action Item

Board Discussion Item

Item Number:	OF-D-22-014	Meeting Date:	05/26/2022
Item Title:	Monthly Operating Statistics		

BACKGROUND:

Attached are monthly operating statistics 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 to customers and prevent future disruptions.

CURRENT STATUS:

Chief Operating Officer Andy Burke will be available for specific questions regarding the Monthly Operating Statistics at the committee meeting.

APPROVED:



Chief Operating Officer

May 20, 2022

Date

Operations Dashboard Report

	March 2022	March 2021	Pct. Change	Average Monthly Goals
Ridership				
Total Passengers				
Bus	557,692	350,370	59.2%	
Access (WeGo)	20,096	15,033	33.7%	
Access (Overflow/Taxi)	4,712	4,540	3.8%	
Access-on-Demand *	3,123	3,278	-4.7%	
Access Total	27,931	22,851	22.2%	
Total	585,623	373,221	56.9%	785,000
Percentage of Pre-Pandemic Ridership	73.7%	46.3%	27.4%	
Passengers per Revenue Hour				
Bus	13.81	10.68	29.3%	18
Access	1.73	1.52	13.8%	2.1
Total Scheduled Revenue Hours	51,974	42,696	21.7%	
Total Cost Per Scheduled Revenue Hour of Service	\$141.84	\$159.89	-11.3%	
Safety				
Miles Between Total Accidents	37,225	38,344	-2.9%	36,000
Miles Between Preventable Accidents	167,512	N/A	N/A	300,000
Preventable Accidents	4	0	N/A	
Non-Preventable Accidents	14	14	0.0%	
Total Accidents	18	14	28.6%	
Service Quality				
Bus Trip Completion Percentage	99.93%	99.93%	0.00%	99.50%
Access Trip Denials	0	0	0.0%	0
Miles Between Road Calls	6,321	4,668	35.4%	3,800
On-Time Performance				
Bus	87.0%	89.8%	-2.8%	85.0%
Access (WeGo)	91.4%	93.6%	-2.2%	89.0%
Access (Overflow/Taxi)	97.1%	97.0%	0.1%	89.0%
Access Total	92.6%	94.4%	-1.8%	89.0%
Customer Care				
Passengers Carried Per Complaint				
Bus	4,257	3,101	37.3%	6,000
Access	423	448	-5.5%	600
Total Calls Received	20,638	17,382	18.7%	
Percent of Calls Answered	95.7%	96.3%	-0.6%	95.0%

* "Access on Demand service began March 2018"

Operations Dashboard Report

	FY2022 March	FY2021 March	Pct. Change	Average Monthly Goals
Ridership				
Total Passengers				
Bus	4,344,473	2,986,831	45.5%	
Access (WeGo)	163,508	122,458	33.5%	
Access (Overflow/Taxi)	36,142	31,786	13.7%	
Access-on-Demand *	23,906	26,768	-10.7%	
Access Total	223,556	181,012	23.5%	
Total	4,568,029	3,167,843	44.2%	7,065,000
Percentage of Pre-Pandemic Ridership	62.3%	42.9%	19.5%	
Passengers per Revenue Hour				
Bus	12.74	10.53	21.0%	18
Access	1.66	1.49	11.4%	2.1
Total Scheduled Revenue Hours	439,183	365,928	20.0%	
Total Cost Per Scheduled Revenue Hour of Service	\$136.47	\$161.59	-15.5%	
Safety				
Miles Between Total Accidents	38,344	49,961	-23.3%	36,000
Miles Between Preventable Accidents	234,858	459,645	-48.9%	300,000
Preventable Accidents	24	10	140.0%	
Non-Preventable Accidents	123	82	50.0%	
Total Accidents	147	92	59.8%	
Service Quality				
Bus Trip Completion Percentage	99.5%	98.8%	0.8%	99.5%
Access Trip Denials	0	0	0.0%	0
Miles Between Road Calls	6,623	4,864	36.2%	3,800
On-Time Performance				
Bus	88.2%	90.5%	-2.3%	85.0%
Access (WeGo)	91.9%	93.3%	-1.4%	89.0%
Access (Overflow/Taxi)	97.8%	97.6%	0.3%	89.0%
Access Total	93.1%	94.2%	-1.2%	89.0%
Customer Care				
Passengers Carried Per Complaint				
Bus	4,234	3,304	28.2%	6,000
Access	423	478	-11.3%	600
Total Calls Received	173,782	134,077	29.6%	
Percent of Calls Answered	95.0%	96.7%	-1.6%	95.0%

* "Access on Demand service began March 2018"

Operations Dashboard Glossary

Metric	Definitions
Ridership	
Total Passengers	
Bus	Total fixed route passenger boardings on all WeGo operated services
Access (WeGo)	Total paratransit passenger boardings on WeGo vehicles
Access (Overflow/Taxi)	Total paratransit passenger boardings on third-party service providers
Access on Demand	Total paratransit passenger boardings on Access-on-Demand service by third-party providers
Access Total	Total paratransit boardings (WeGo vehicles and third-party service providers, includes Access-on Demand ridership)
Passengers per Revenue Hour	
Bus	Total fixed route passenger boardings divided by total scheduled fixed route revenue vehicle hours.
Access	Total paratransit boardings on WeGo vans divided by total scheduled paratransit revenue vehicle hours.
Total Scheduled Revenue Hours	Total fixed route and paratransit scheduled revenue vehicle hours. Note: Revenue vehicle hours are total vehicle in-service hours excluding vehicle travel from the garage to the first timepoint (or pickup for paratransit) and from the last timepoint (or pickup) to the garage.
Total Cost Per Scheduled Revenue Hour of Service	Total fully allocated cost to deliver service divided by the total scheduled revenue hours.
Safety	
Miles Between Total Accidents	Total number of miles travelled by all WeGo revenue vehicles (fixed route and paratransit) divided by the total number of accidents.
Miles Between Preventable Accidents	Total number of miles travelled by all WeGo revenue vehicles (fixed route and paratransit) divided by the total number of preventable accidents.
Preventable Accidents	A motor vehicle collision, in which the Operator did not do everything reasonable to avoid a collision, committed an error or failed to react to the errors of others.
Non-Preventable Accidents	A motor vehicle collision in which the Operator committed no driving error and reacted reasonably to the errors of others.
Internal Accidents	A motor vehicle collision that occurs on Nestor or Myatt yard.
External Accidents	A motor vehicle collision that occurs outside of Nestor or Myatt yard.

Operations Dashboard Glossary

Metric	Definitions
Service Quality	
Bus Trip Completion Percentage	Percentage of one-way fixed route revenue trips completed versus scheduled.
Access Trip Denials	Total number of paratransit trips that cannot be scheduled within one hour before or after the customer's requested pick-up time.
Miles Between Road Calls	Any mechanical failure, excluding farebox and accidents. Bus and Access metrics will be reported separately.
On-Time Performance	
Bus	Percentage of total scheduled fixed route timepoint departures occurring between 59 seconds early and 5 minutes 59 seconds late.
Access (WeGo & Taxi/Overflow)	Percentage of total trips where vehicle arrives no later than 59 seconds outside of the scheduled pick-up window.
Customer Care	
Passengers Carried Per Complaint	
Bus	Total fixed route passengers divided by total fixed route customer complaints.
Access	Total paratransit (WeGo and third-party service providers) passengers divided by total paratransit customer complaints.
Total Calls Received	
Percent of Calls Answered	Percentage of calls received that were answered. Unanswered calls are calls that are lost for any reason once in the customer call phone queue.

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Committee Discussion Item

Committee Action Item

Board Discussion Item

Item Number:	OF-D-22-015	Meeting Date:	05/26/2022
Item Title:	Quarterly Performance Report		

BACKGROUND:

The Quarterly Route Performance Report for January through March 2022 is provided on the following pages. Beginning with this report, and for the foreseeable future, we have added a column to report ridership on a particular route as a percentage of pre-pandemic ridership. This metric is in the fifth column from the left.

Significant winter weather affected January 2022 performance numbers, but there were also winter storms in February of 2021, resulting in a very little net effect on year-over-year comparisons for this 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. This route is now at 100% of pre-pandemic levels. Other routes showing extremely strong performance include the 23 Dickerson Pike and the 8 8th Avenue South. You may recall that we added a significant amount of service to the Dickerson Pike corridor at the outset of the pandemic, and riders are responding to this service increase.

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, and future gains in this area will depend on securing the dedicated right of way for transit in key corridors that experience routine congestion. We may see some deterioration in this metric in the coming months. As reported by COO Burke, our service expansion in April has reduced the availability of extra buses and operators we have been using for supplemental buses to insert in service to more quickly address service disruptions and significant service delays.

CURRENT STATUS:

Deputy Chief Operations Officer Dan Freudberg will review this report at the committee meeting.

APPROVED:



Deputy Chief Development Officer – Operations Systems

May 20, 2022

Date



QUARTERLY ROUTE PERFORMANCE INDICATOR REPORT - Jan 2022 Through Mar 2022

FY2022 - 3rd Quarter

Rt. No.	Route Name	Ridership			Revenue Hours Change		Productivity				On-Time Performance	
		Quarterly Ridership	Yr over Yr Ridership Change	Percentage of Pre-Pandemic Ridership	Quarterly Revenue Hours	From Last Year	Pax Per Hour	Yr over Yr Pax/Hour Change	Pax Per Trip	Yr over Yr Pax/Trip Change	On-Time Performance	Yr over Yr OTP Change
Better Bus Targeted Frequent Service Network												
3/5	West End	105,629	67.6%	61.5%	9,721	48.2%	10.9	13.1%	8.8	17.5%	84.38%	-7.53%
4	*** Shelby	39,131	62.9%	49.6%	3,845	35.7%	10.2	20.0%	5.4	-1.5%	92.17%	-2.48%
7	*** Hillsboro	74,493	105.7%	64.2%	5,211	75.4%	14.3	17.3%	9.4	21.7%	86.78%	-0.74%
22	Bordeaux	78,058	28.3%	56.7%	5,753	7.2%	13.6	19.7%	7.1	19.8%	89.01%	-2.31%
23	*** Dickerson Pike	127,127	89.5%	92.0%	8,556	80.5%	14.9	5.0%	10.1	-0.5%	92.55%	0.53%
50	Charlotte Pike	111,803	55.6%	72.1%	7,770	37.5%	14.4	13.2%	11.2	16.3%	86.04%	-4.04%
52	Nolensville Pike	150,214	46.5%	73.9%	11,896	4.6%	12.6	40.1%	11.7	51.7%	87.26%	2.52%
55	Murfreesboro Pike	254,529	81.6%	92.0%	14,147	21.1%	18.0	49.9%	17.6	66.9%	84.64%	-3.70%
56	Gallatin Pike	210,048	44.5%	71.9%	13,148	15.6%	16.0	25.0%	14.5	33.9%	88.42%	-3.74%
Frequent Service Route Totals		1,151,032	61.9%	73.3%	80,046	28.0%	14.4	26.5%	11.2	29.2%	87.50%	-2.37%
Better Bus Local Network												
6	Lebanon Road	27,957	82.9%	58.9%	3,106	59.1%	9.0	15.0%	8.9	16.2%	82.60%	-8.05%
8	8th Avenue South	50,243	69.3%	80.2%	2,985	33.1%	16.8	27.2%	10.8	64.5%	86.74%	-3.26%
9	Metrocenter	14,998	58.3%	44.4%	1,361	97.4%	11.0	-19.8%	4.4	-13.5%	93.14%	-1.45%
14	Whites Creek	19,540	40.6%	56.0%	1,634	14.7%	12.0	22.6%	6.0	24.1%	92.62%	-3.26%
17	12th Avenue South	24,674	63.4%	54.5%	2,691	16.4%	9.2	40.4%	5.0	42.6%	89.03%	-3.04%
18	Airport/Elm Hill	21,610	78.9%	68.5%	2,472	29.4%	8.7	38.2%	5.7	84.7%	86.45%	-1.88%
19	Herman	40,218	59.0%	52.7%	3,136	4.5%	12.8	52.1%	8.1	45.7%	93.38%	-1.38%
28	Meridian	11,617	46.6%	40.7%	1,728	14.3%	6.7	28.2%	3.6	36.6%	96.38%	0.29%
29	Jefferson	26,280	10.7%	55.2%	2,823	4.3%	9.3	6.1%	4.3	6.4%	87.00%	-5.75%
34	Opry Mills - Music Valley	13,666	69.5%	51.3%	1,820	-10.2%	7.5	88.8%	4.5	34.8%	87.71%	-2.75%
41	Golden Valley	3,317	N/A	64.1%	324	N/A	10.2	N/A	5.3	N/A	86.21%	N/A
42	St. Cecilia - Cumberland	14,792	30.2%	49.2%	1,751	46.0%	8.4	-10.8%	5.0	8.9%	93.22%	-3.19%
Local Route Totals		268,912	56.4%	55.6%	25,832	23.1%	10.4	27.0%	6.1	34.0%	89.34%	-3.20%
Better Bus Connector Network												
21	Wedgewood	4,423	-0.1%	50.4%	1,240	-46.6%	3.6	87.0%	2.3	86.1%	89.02%	-3.38%
25	Midtown Connector	6,712	-1.7%	49.1%	1,438	-45.2%	4.7	79.4%	3.4	75.4%	78.81%	-8.38%
76	Madison Connector	18,240	39.3%	76.2%	1,848	5.0%	9.9	32.7%	6.4	31.0%	90.71%	-1.41%
77	Thompson Connector	6,441	185.8%	59.6%	1,509	121.8%	4.3	28.9%	3.2	27.5%	89.96%	-1.63%
Connector Route Totals		35,816	27.0%	56.0%	6,034	-27.7%	5.9	75.7%	4.1	83.2%	87.15%	-2.17%
SYSTEM TOTALS		1,455,760	59.8%	67.9%	111,912	21.8%	13.0	31.2%	9.4	36.0%	87.91%	-2.52%

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

List of upcoming procurement projects

Meeting Date: 05/26/2022

Project Name: RFQ for Task Order Based Capital Program Support Services***

- Brief Description: This qualifications-based solicitation for capital program support services will result in multiple contract awards for firms to provide architectural, engineering, and construction-related engineering and inspection services on a task order basis.
- Anticipated Publish Date May 2022
- Estimated Individual Contract Value: \$1,000,000 - \$3,000,000
- ***Potential Small, Minority and Woman Owned Business participation per task order

Project Name: North Nashville Transit Center Construction***

- Brief Description: Construction of new transit center.
- Anticipated Publish Date May 2022
- Estimated Individual Contract Value: \$6,000,000 - \$8,000,000
- ***DBE Project Goal 13%

Project Name: RFP Escalator Modernization (Rebuild) / Elevator & Escalator Maintenance

- Brief Description: The project seeks a contractor to provide an escalator modernization rebuild solution and to provide ongoing maintenance, repair and related services for full-service elevators, escalators, and chair/platform lifts.
- Anticipated Publish Date: June 2022
- Estimated Project Value: \$675,000 - \$1,000,000 for escalator modernization and \$200,000 - \$250,000 per year for ongoing maintenance of all elevators and escalators at WeGo facilities

Project Name: ITB - Nestor Sewer Modernization***

- Brief Description: This project has two components; each will be bid separately. The first bid will be for the installation of a new sewer line to serve the Nestor facility and to repave the project's disturbed pavement area. The second component will be a bid to stabilize and abandon an existing 48" sewer line running under the Nestor facility and permanently remediate the existing sinkhole
- Anticipated Publish Date: June 2022
- Estimated Total Project Value: \$750,000 - \$1,000,000
- ***Potential Small, Minority and Woman Owned Business participation (40 certified vendors)

Project Name: Strategic Fuel Sourcing

- Brief Description: Long-term agreement for fleet supply and delivery
- Anticipated Publish Date: June 2022
- Estimated Project Value: \$3,000,000 - \$4,000,000

Project Name: RFP – Enterprise Access Management (EAM) Consultant

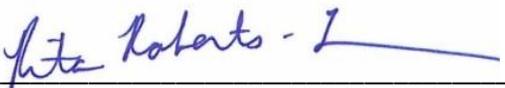
- Brief Description: Consulting services for EAM system replacement, including needs assessment/discovery, RFP development and procurement assistance, project management and implementation support.
- Anticipated Publish Date: July 2022
- Estimated Total Project Value: \$450,000 - \$600,000

CURRENT STATUS:

Pursuant to earlier Board discussion, staff will provide a rolling list of upcoming procurements to the Board on a monthly basis. Staff requests members make them aware of any potentially interested suppliers for planned procurement activity.

Unless there are questions of staff, no discussion is planned at the meeting. This material is provided for information only.

APPROVED:



Chief Administrative Officer

May 20, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Committee Discussion Item

Committee Action Item

Board Discussion Item

Item Number:	NICE-D-22-016	Meeting Date:	05/26/2022
Item Title:	FY2023 Operating Budget Discussion Update		

BACKGROUND:

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 will include our appearance before the Council's Budget and Finance Committee meeting at 4:30 PM on Tuesday, May 24, which will have occurred the day before our Board. We will give the Board an update at the Board meeting.

This discussion item will revisit the background environment framing the formulation of our FY2022-23 Operating Budget and multi-year capital improvement plan. Both documents will be presented to the Board in June for your consideration for adoption. The purpose of our discussion in May will be to provide some background, address any questions the Board might have, and do some "direction setting" on bigger picture issues.

The following information is intended to provide Members with sufficient background information to enter this discussion better informed. A variety of factors make up this budget which includes:

1. The status of Federal funds from COVID-relief bills,
2. The next phase of the adopted Metro Nashville Transportation Plan
3. Ongoing and contemplated projects to deliver on the nMotion Strategic Service Plan
4. Issues associated with the world (and WeGo Public Transit) emerging from the pandemic
 - a. Impacts of inflation and significantly higher fuel costs
 - b. Bus operator and maintenance employee shortages
 - c. Supply chain impacts on repairs and fleet delivery

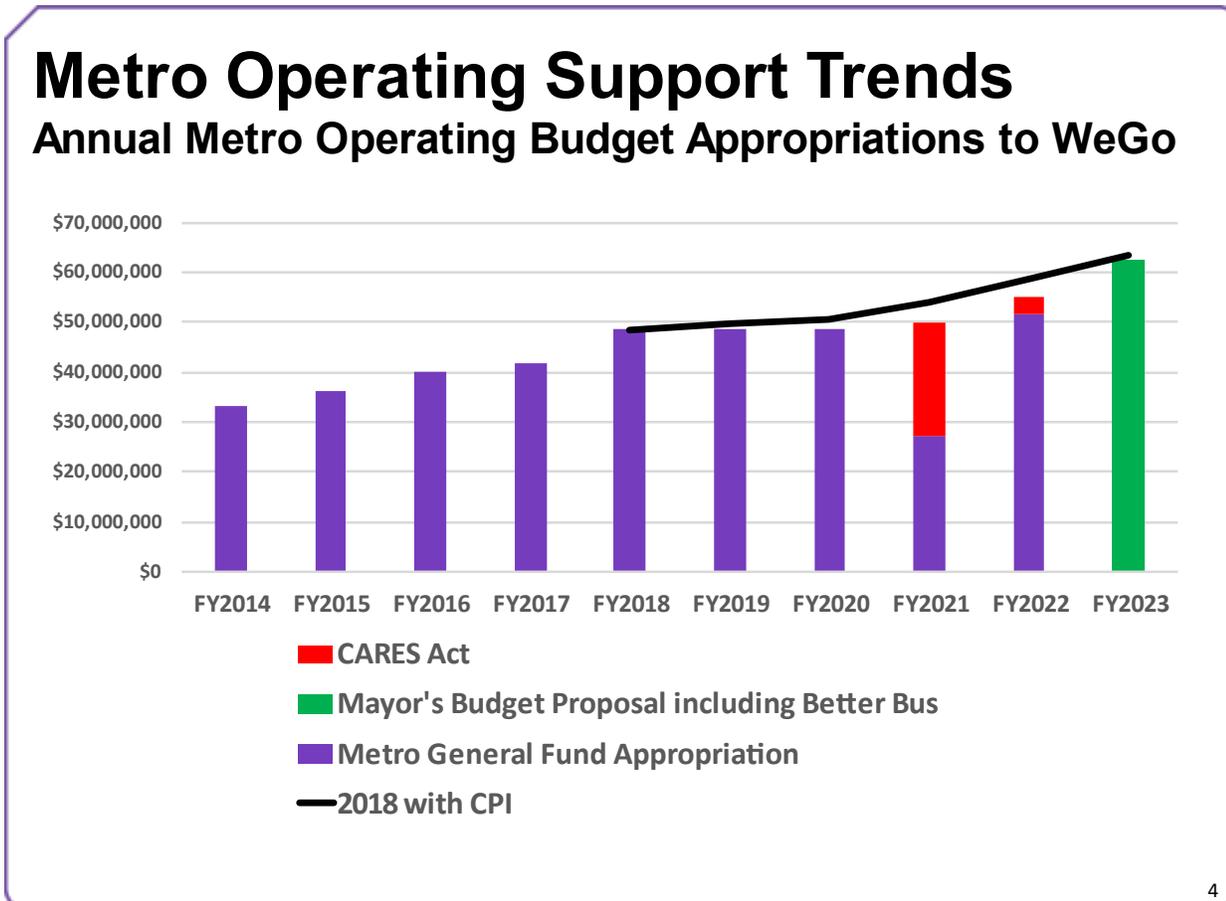
As such, it will be vital to have full Board engagement concerning our directional decision-making moving forward.

FY2022-23 Operating Budget Request

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. The following chart provides a history of Metro operating support to WeGo Public Transit over the past 9 years. It illustrates the extent to which we utilized Federal CARES Act funds to replace reduced Metro funding in FY2020-21 and seed fund the Better Bus improvements in FY2021-22.



The graph also shows our operating funding request in the green of Metro for FY2022-23. WeGo Public Transit requested a baseline funding request of \$58,710,900 to sustain current service and fare levels based on FY2021 funding levels plus inflation as well as \$4.3 million of funding for the new service improvements previously seed-funded that were implemented this past Spring. In addition, the Mayor has included our supplemental investment request of \$3,900,000 to fund a partial year of the next phase of our “Better Bus” service expansion initiative. Better Bus (as spelled out in the Nashville Transportation Plan adopted by the Metro Council in December 2020) entails a total budgetary expansion of \$29 million in 2020 dollars to fund a service hour increase of approximately 30%. It is recommended for implementation in seven phases. This requested betterment for FY2022-23 would be for Phase 2 and would largely focus on:

1. The final phase of span improvements for the Frequent Service network routes is to operate from approximately 4 am – 1 am Monday through Saturday, and 4 am – 11 pm on Sunday.
2. Enhancing the span of additional Local network routes to operate from 5 am – 11 pm Monday through Sunday.
3. Expand the span of WeGo Access services to match the expanded fixed-route hours.

4. Expand the span of Access on Demand services to include weekends.
5. Improve off-peak (evening and weekend) frequency on several additional routes.
6. Improve overall frequency on the 7 – Hillsboro and 8 – 8th Avenue South routes based on emerging ridership patterns.
7. Improve frequency on several crosstown routes.
8. Extend the 52 – Nolensville Pike route to the south of Old Hickory Boulevard.
9. Expand the number of WeGo Link Mobility on Demand (first mile/last mile connection) zones.

Overall, once fully implemented, planned changes would represent approximately 42,000 annual hours of service – approximately an 8% increase above current levels.

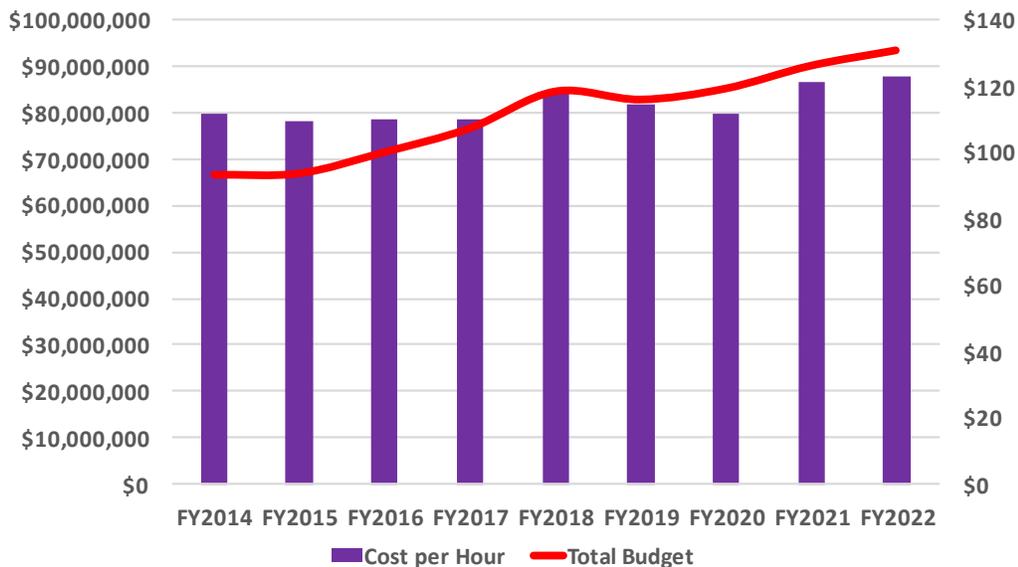
If approved by the full Council, this appropriation request would continue to stabilize WeGo Public Transit funding and continue to follow the scheduled implementation of Better Bus service expansions included in the Mayor’s Transportation Plan. However, despite possibly receiving our total ask from Metro, there are still several challenges to address as we continue emerging from the pandemic.

Budget Trends

Budget stabilization will be extremely important moving forward from two perspectives. First, it’s extremely difficult for customers to rely on public transportation when they are constantly wondering whether or not their service will be around in a year. Over the past 10 years, we’ve added considerable service hours when funds were readily available, then had to scale back during leaner times. In addition to flat funding from Metro after 2018, the elimination of CMAQ funding for MTA operations by the State led to a significant service reduction in 2019. Over time, we would also like to reduce reliance on Federal capital funding to support operating expenses.

Second, many of the improvements called out in the nMotion Strategic Service Plan are capital improvements in nature. These include such customer enhancements as an expanded passenger waiting for shelter program, neighborhood transit centers, and technological enhancements such as real-time information and our QuickTicket automated fare collection system. These are important investments that are necessary upgrades for our customers, but also carry with them significant fixed ongoing operating costs that must be sustained even when budgets are tight. This makes the concept of “fixed” and “variable” costs associated with the transit system extremely important to understand in funding and budgeting, as illustrated in the following chart which presents a history of the total operating budget for the MTA over the past 9 years (the red line) and the cost per revenue hour of service (the purple bar).

WeGo Operating Expense History



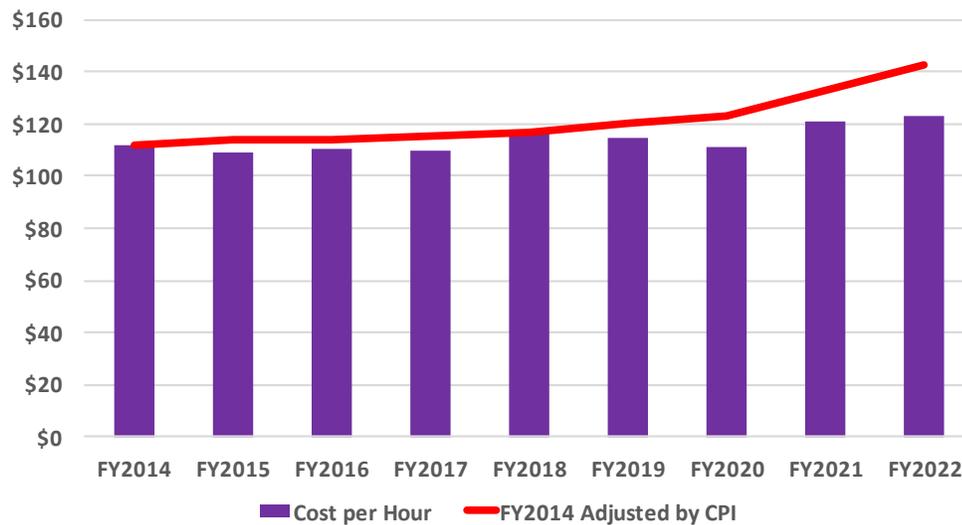
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Internally, we try to manage our budgets around maintaining a reasonable cost per revenue service hour – both over time relative to inflation and as measured against relevant peer transit agencies. In fact, while the chart above illustrates the general ebb and flow of our budgets with respect to years when we’ve received substantial funding increases to add service, and leaner years when we’ve had to reduce service, the chart below shows that we have managed to keep our overall operating cost per revenue service hour pretty much in line with inflation throughout this period. Three major elements will impact the cost per hour of service over time:

1. **Service Inputs** – Factors with respect to the direct cost of providing transit service like general inflation, labor costs (particularly as defined through collective bargaining agreements), fuel prices, parts costs, etc.
2. **Overhead** – Service expansion and overall system improvement will require additional positions beyond Bus Operators and Maintainers in areas like Finance, Planning, and Human Resources. However, it’s important to keep these staff increases and other associated expenses in line with general service levels. This is an important function of the cost per hour metric.
3. **Non-Service Enhancements** – Important improvements besides service include investments in facilities like passenger waiting shelters and transit centers, park and ride facilities and technological enhancements like real-time information and contactless fare payment. As alluded to earlier, these also come with additional operating expenses that are difficult to reduce when service is reduced. For instance, when we were forced to cut service hours in 2019, the operating expenses associated with WeGo Central could not be reduced. The same is true as we add more shelters, transit centers, etc.

A major factor has now been injected as we come out of the pandemic and that is inflation. In particular, fuel costs are increasing at a tremendous rate. The chart below illustrates that (relative to the year 2014) we have managed to keep our cost per hour at or below the rate of inflation. With inflation at recently unprecedented levels, we certainly anticipate a significant increase in the cost per hour of service. However, with ongoing enhancements like improved passenger facilities, new technological innovations, and specific efforts to attract and retain employees, it is also likely that we will see the cost per hour exceed inflationary levels (even when inflation returns to a more “normal” level).

Cost per Service Hour Relative to CPI



5

Workforce Shortages and Supply Chain Delays

As we have been sharing with the Board, one of our most significant ongoing challenges to maintaining service and expanding service is the emergence of workforce shortages. While the proposed budget includes the \$3.9 million for service improvements, we will not be able to accomplish this without finding ways to attract and retain bus operators. Based upon where we stand as of today being down approximately 35 operators and the new service requiring an additional 26 operators, the new service will have to be backend loaded in our Spring 2023 service changes giving us approximately 6 months to fill open positions.

We will likely see increased expenses associated with employee attraction and retention for Bus Operators and Maintenance personnel, including wage levels, sign-on bonuses, and recruitment and training expenses as we explore different ways to attract new talent such as higher sign-on bonuses, shift differential pays and more flexible work schedules. We should also collaborate with our union in developing ways to attract operators. These challenges were obvious well before the pandemic. From late 2018 through mid-2019, the percentage of filled Operator positions continually dropped to as low as 89% during the Summer of 2019. It was at this time that we saw significant service disruptions caused by these personnel shortages. This trend would have continued if not for the service reductions required by State budget cuts that took effect in the Fall of 2019. Even so, the percentage of filled positions continued to drop again until the onset of the pandemic, when hiring picked up because of large-scale job loss in the general economy. As the economy picked up again in late 2020 and early 2021, we observed a return to the concerning trend of employee turnover. Consequently, during collective bargaining last year, we increased starting operator pay to \$22 per hour and reduced the progression to top pay from 4 years to 3. While this did not significantly increase top pay (4%), it will impact wage rates for employees with less than 4 years of seniority. In addition, we no longer require commercial driving experience for new employees and have increased our training of new employees to meet these licensing requirements. Although it is early and we are seeing some encouraging results so far, the challenge remains to find more operators.

While our first line of offense will always be increasing the number of drivers, we also have similar challenges in the maintenance area which is crucial to maintaining the revenue fleet and having vehicles available for service. This is compounded by the supply chain issues being experienced across the country that have been mentioned in past meetings. Delays in receiving new replacement vehicles increase the need to have

solid maintenance staff to maintain even more buses approaching or exceeding their useful life. We are currently short approximately 9 mechanics and will be considering similar strategies to attract and retain qualified mechanics to service the buses and vans. We have been considering higher sign-on bonuses, relocation bonuses as well as shift differential pay to have the maintenance staff at work at the right times to maximize efficiencies when it comes to preventive maintenance and repairing the revenue fleet.

This proposed budget also includes increased parts material and supply costs in anticipation of paying higher prices and the difficulties from supply chain issues in acquiring the parts the maintenance department will need to maintain and repair fleet vehicles in a timely manner. The last issue we need is to not have the parts necessary to maintain the fleet. We have identified the most crucial parts and will be overstocking certain components with substantially longer order times, when possible, to minimize the risk of causing delays in repairs and maintenance. While some maintenance can be managed through some major capital outlays for new engines, most of the increased expense will come through normal operating expenses.

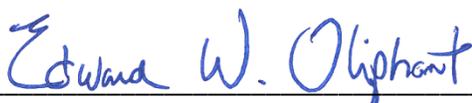
Federal Relief Dollars

The Board approved a strategy of utilizing federal relief funding in an expedient manner utilizing CARES Act funding to cover operating costs (including current year seed funding) over the next two to three years. Federal Rescue Plan Act dollars were allocated to take the place of Federal Formula funds normally used for preventive maintenance and ADA operating expenses during this fiscal year so that these freed-up dollars can be applied toward our capital budget. The dual benefit of this strategy is 1) to preserve federal 5307 Capital funding to be used on high priority capital projects in the approved Capital Plan over these two years, and 2) to make progress in using the federal relief dollars in lieu of potentially having to return funding should it not be used quickly enough. Currently based on projections American Rescue Plan dollars will be used up by the first half of FY2023-24 and it should be noted at that time, we will again need to begin using federal 5307 Capital funding for preventive maintenance expenses to balance future budgets. Based on current projections, at the end of FY2022-23, we will have \$13.2 million in unallocated CARES Act relief dollars which we project should last through FY2025. As such, it will be essential that we continue to see Capital Spending Plan allocations from Metro in line with last year's \$20+ million on an annual basis to sustain a state of good repair.

CURRENT STATUS:

CFO Ed Oliphant and Chief Executive Officer Steve Bland will lead a discussion on the information presented above with the Board to get input for planning and communication purposes as we enter the new fiscal year. This budget information will be followed by a related discussion concerning the proposed capital plan. Based on these discussions, and the direction set by the Board, staff will prepare operating and capital budget proposals for consideration at your June meeting.

APPROVED:



Chief Financial Officer

May 20, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Committee Discussion Item

Committee Action Item

Board Discussion Item

Item Number:	NICE-D-22-017	Meeting Date:	05/26/2022
Item Title:	Nestor Modernization Study Update		

BACKGROUND:

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 the with the goals of providing more efficient use of space, equipping the facility to service a new generation of buses with alternatives 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.

CURRENT STATUS:

Staff will present 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 is 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.

APPROVED:



Chief Development Officer

May 20, 2022

Date