

Nashville MTA Board Meeting

Tennessee State Library & Archives
1001 Rep. John Lewis Way N., Nashville, TN 37219
March 23, 2023 | 2:30 p.m.

Board Members:

Gail Carr Williams, Chair
Janet Miller, Vice Chair

Jessica Dauphin
Mary Griffin

Walter Searcy

1. Call to Order
2. Roll Call
3. Approval of the February 23, 2023, MTA Board Minutes
4. Public Comment
5. **Information Only Items** – The following information is contained in the distributed Board packet for member review. There is no planned discussion of these items, but the staff is available for discussion should members have questions.
 - Monthly Financial Report Compared to Budget – Ed Oliphant, CFO **M-I-23-005** **P. 6**
 - Monthly Operating Statistics – Andy Burke, COO **M-I-23-006** **P. 9**
 - Upcoming Procurement Projects List – Denise Richardson, Director of Procurement and Business Diversity **M-I-23-007** **P. 14**
 - Annual Risk Assessment – Ed Oliphant, CF **M-I-23-008** **P. 16**
 - Annual Conflict of Interest Disclosure – Ed Oliphant, CFO **M-I-23-009** **P. 20**
6. **Consent Agenda Items** – Pursuant to recent discussions, these action items are routine in nature, tend to be repetitive year over year, and are described in the written agenda materials. As such, they would be voted on as a group to permit more time for discussion of more unusual items. Any Board member can request that any item be removed from the Consent Agenda for further discussion, and the listed staff will be available for questions.
 - Passenger Waiting Shelter Contract Value Increase – D’Nese Nicolosi, Transit Stop Manager **M-A-23-007** **P. 23**
7. **Operations & Finance Committee – Walter Searcy, Chair**
 - Insurance Brokerage Services Contract Award – Ed Oliphant, CFO **M-A-23-008** **P. 25**
 - Vehicle Maintenance Audit – Carl Rokos, Director of Fleet Maintenance & Ewell Crigger, Vehicle Maintenance Manager **OF-D-23-002** **P. 26**
 - Emergency Cutaway Vehicle Procurements – Andy Burke, COO **M-A-23-009** **P. 27**
8. **New Initiatives & Community Engagement Committee – Janet Miller, Chair**
 - Transportation Modernization Act of 2023 – Commissioner Butch Eley, Deputy Governor & Commissioner of Transportation **NICE-D-23-001** **P. 28**
9. **CEO’s Report – Stephen G. Bland, CEO**
10. **Chair’s Report – Gail Carr Williams, Chair & Graduation Ceremony for WeGo Academy Class 2 of 2023**
11. **Other Business**
12. **Adjournment**

NASHVILLE METROPOLITAN TRANSIT AUTHORITY
Board of Directors Meeting
February 23, 2023

- I. **Call to Order:** The regular meeting of the Nashville Metropolitan Transit Authority (Nashville MTA) Board of Directors was held at the Tennessee State Library & Archives, located at 1001 Rep. John Lewis Way N., Nashville, TN 37219, on Thursday, February 23, 2023.

- II. **Roll Call of Persons Present:** Gail Carr Williams, Chair; Janet Miller, Vice-Chair; Walter Searcy, Member; Jessica Dauphin, Margaret Behm, Board Secretary; Chief Executive Officer, Stephen Bland; Chief Financial Officer, Ed Oliphant; Chief Operating Officer, Andy Burke; Chief Development Officer, Trey Walker; Chief Safety & Security Officer, Nick Oldham; Chief Communications Officer, Renuka Christoph; Chief of Staff & Administration, Vince Malone; Director of Planning & Grants, Felix Castrodad; Deputy COO – Op Systems, Dan Freudberg; Scheduling & Service Planning Manager, Katie Freudberg; Facilities Manager, Patrick Hester; and Sr. Executive Assistant & Board Liaison, Monica Howse.

A quorum was established, and Chair Gail Carr Williams called the meeting to order at 2:34 p.m.

- III. **Approval of Minutes:** Walter Searcy made a motion to approve the December 15, 2022, MTA Board minutes, the motion was seconded by Vice-Chair Janet Miller and unanimously approved by the Board.

- IX. **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 gave public comments:

- Darius knight

- V. **Informational Items:** The following items were presented for the board members' review. If any members had questions, they were asked to reach out to the staff for the specific item. No questions or observations were raised by Members at this time.

- Monthly Financial Report Compared to Budget
- FY2024 Budget Submission to Metro
- Monthly Operating Statistics
- Upcoming Procurement Projects List

- VI. **Consent Agenda Items:** Janet Miller made a motion to approve the following consent agenda items, Walter Searcy seconded the motion, and the items were unanimously approved by the board:

- IT Software Maintenance and Related Services Contract increase (M-A-23-001)
- MTA Agency Safety Plan Amendment Approval (M-A-23-002)
- American Paper & Twine Contract Value Increase (M-A-23-003)

- VII. **Operations & Finance Committee Report:** Chair Walter Searcy presented the following items for discussion or action items:

- a. **Quarterly Route Performance Report (OF-D-23-001):** Scheduling & Service Planning Manager Katie Freudberg provided the following update:

The Quarterly Route Performance Report for the months of October, November, and December was included in the published Board packet.

As expected, due to the holidays and some winter weather, ridership this quarter dropped slightly (around 4%) from the previous quarter. Because this is within the range of seasonal

variation that we would have expected pre-Covid, it appears that our ridership growth may be starting to level off.

We have added the WeGo Link service to the Quarterly Performance Report as part of the Connector Network. While the overall ridership numbers for WeGo Link remain low, we saw a substantial increase in usage this quarter thanks to the addition of three new zones in October, serving Hermitage, Goodlettsville, and additional parts of Antioch / Southeast Nashville. We will continue to monitor the use of the WeGo Link service to understand how people are using it and how it will fit into our network in the future.

On-time performance system-wide has dropped to around pre-pandemic performance levels. We will be adding service hours to several routes in order to maintain current service levels in Spring 2023. We continue to see large variations in travel times on our major corridors, reducing the predictability and reliability of some of our busiest services.

CEO Bland said the bottom line is, until we have dedicated lanes, we're fighting a losing battle. We will continue to have to throw additional service resources at the problem, as we are with the service change to keep delivering the same service. One of the reasons that we can't expand more of the Better Bus service is that Katie will have to deploy more buses on existing routes and schedules to address reliability issues. These are resources that could otherwise be utilized to expand service.

Janet Miller asked what percentage of the routes are impacted. Katie said primarily corridors (Charlotte, West End, Murfreesboro, Nolensville, and Gallatin Rd). We're not seeing these kinds of impacts in the neighborhood routes. There was no further discussion.

- b. **Enterprise Asset Management Assessment Consulting Contract Award (M-A-23-004):** Deputy COO-Op Systems Dan Freudberg presented the following item for discussion and action:

Staff requested that the Board provide Chief Executive Officer with the authority to enter into a contract with Evison Partners to conduct the needs assessment and provide necessary requested services to enhance and improve the agency's Enterprise Asset Management system in the amount of \$708,392.78, plus a 20% owner-controlled contingency, for a total project value of \$850,000. The initial term of this contract is one year with three additional one-year options to be exercised at the Agency's sole discretion. This project will be funded with FTA funds matched with TDOT and local funds, and the project is included in the current MTA Capital Spending Plan.

Vice-Chair Janet Miller asked if there's industry-standard software available. Dan said that there are several systems common in the transit industry, and some excel more than others. There are non-industry asset management programs that perform these types of tasks, but transit is a bit different in that the asset management software will need to support operational needs in terms of vehicle assignment and there are only a handful of platforms that incorporate the unique needs of transit while also providing a solid asset management tool. There was no further discussion.

Chair Walter Searcy made a recommendation to approve the Enterprise Asset Management Assessment Consulting Contract Award action item and it was unanimously approved by the Board.

- c. **Escalator Modernization Contract & Vertical Circulation Maintenance Services (M-A-23-005):** Chief Development Officer Trey Walker and Facilities Manager Patrick Hester provided an overview of the scope of the escalator modernization project.

Staff requested the Board provide the Chief Executive Officer the authority to enter a contract with Kone for escalator modernization on ongoing vertical circulation equipment maintenance. Staff requests advancing the modernization for a base cost of \$1,495,800 and a contingency amount of \$375,000 to be used at the Agency's discretion to address unforeseen conditions or needed equipment repairs that would not be covered as regular maintenance. The proposed schedule for the modernization is approximately 20 months. Ongoing scheduled and preventative maintenance of all vertical circulation equipment is anticipated to cost \$111,678.80 over the life of the five-year contract. To address major repairs beyond those scheduled by preventative maintenance, Staff requests an additional \$250,000 over the life of the contract. The total not-to-exceed budget for the five-year contract is \$2,231,678.80. The modernization project budget is funded with a combination of federal, state, and local funding sources. The ongoing maintenance budget is addressed in the Agency's operating budget for contracted maintenance.

Board Chair Gail Carr Williams asked when will the project begin for the escalators. Patrick said immediately upon approval, we would like to begin surveys as early as next week but there would be no impact on customers until the end of the calendar year.

Walter Searcy asked what percentage of the contractor is for elevators and what percentage is for escalators. Patrick said that \$250,000 is for elevator repairs and the \$111, 678.80 is for escalator and elevator preventative maintenance. The remainder of the contract value is for the escalator modernization program at WeGo Central. Walter also asked if we had any DBE participation for this project, and if not, can we at this late date require them to report to us what their apprenticeship programs look like regarding women and minority businesses, which will make them know that we're looking at this. CEO Bland said that we only had one contractor and it was a non-DBE contractor. Denise Richardson said that we didn't put a DBE goal on this project because there are no certified DBEs in TN and that we could inquire about their training and apprenticeship programs as we obtain initial project documentation.

Chair Walter Searcy made a recommendation to approve the Escalator Modernization Contract & Vertical Circulation Maintenance Services action item and it was unanimously approved by the Board.

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

a. Spring '23 Service Changes & Title VI Analysis (M-A-23-006) Director of Planning & Grants Felix Castrodad presented the following item for discussion and action:

The Director of Planning and Grants provided an overview of the proposed service changes for Spring 2023, as well as the accompanying public engagement process and Title VI social equity analysis. Mr. Castrodad reported that overall the changes were well received, and that several suggestions for modification were accommodated in the final recommendations. He also indicated that the Title VI analysis determined that the proposed changes would have no disparate impact on disadvantaged neighborhoods or neighborhoods of color. Staff requested the Board approve the proposed Spring 2023 service changes as presented for implementation to take effect on April 2, 2023.

CEO Bland said in addition to Felix's presentation in making everyone aware of the challenges associated with service expansion due to operator and vehicle shortages, he also wanted to highlight some of the accomplishments and the strides that we are being made in onboarding new operators. We are expanding service, adding service resources to current service to try and enhance reliability, and we're adding more operators to our directly operated Access van service to relieve the pressure on our third-party providers. On the fleet side, we anticipate the delivery of (14) articulated buses in March and later this year another (20) 40 ft. buses will be

delivered; so, we're looking pretty good for further implementation of the Better Bus service enhancement in the fall.

Committee Chair Janet Miller reiterated the public comments made by Mr. Darius Knight about how important it is for us to communicate any changes.

Board Chair Gail Carr Williams asked that we spend more time with the employers in the Cockrill Bend area to encourage them to share with their employees the services available and to promote WeGo Ride.

Committee Chair Janet Miller made a recommendation to approve the Spring '23 Service Changes & Title VI Analysis action item and it was unanimously approved by the Board.

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

- a. Earlier this month, we submitted our FY2023-24 Operating Budget request to Metro Finance. The full submission, including the budget equity tool, was included in the printed materials we forwarded to you. The request includes just under \$68.9 million (an increase of about \$7.2 million) in baseline funding to fund continued operations and committed operations expansion for Better Bus service expansion that was partially funded this year; partial year operation of the Ernest Rip Patton, Jr. North Nashville Transit Center; and additional operating costs associated with the stop improvement and shelter expansion program funded with Metro Capital funds. In addition, we have filed an investment request of \$5.4 million to initiate the next phase of Better Bus service expansion over the next fiscal year. Among the improvements planned in the next phase would be continued extension of service hours on high ridership routes, improved mid-day, evening, and weekend frequency on higher ridership routes, additional WeGo Link mobility on demand zones, extensions on the routes 9 and 14 to serve the Ernest Rip Patton Jr. North Nashville Transit Center, and creation of a new crosstown route along Trinity Lane connecting that center to East Nashville and the Gallatin Pike corridor. Staff will be meeting with Metro Finance staff to review the request on March 22. Our Budget hearing before the Metro Council is currently scheduled for Tuesday, May 23 at 4:00 pm in Council Chambers and we would welcome Board participation in that hearing.
- b. Earlier this week, the Metro Council approved the city's capital spending plan for this year. Overall, the plan includes \$24.93 million for WeGo Public Transit, including full funding for our requests for matching funds for State and Federal grants, Neighborhood Transit Center expansion, and expansion buses for future phases of the Better Bus service expansion plan. We also received partial funding for our request for additional stop and shelter improvements. Two projects that were not funded included funding for replacement buses and Access vans. However, this will not impact project delivery schedules as, first, for Access vans, we have a backlog of van orders already in the pipeline. Second, for our bus replacements, we will have the availability of State and Federal funding to stay on our replacement schedule as a result of pandemic relief funds relieving pressure on our formula Federal funds for preventive maintenance expenses. It will, however, be important to get back into a cycle of funding bus replacements through the CSP again next year as pandemic relief funds will be exhausted.
- c. More good news with respect to the advancement of our capital improvement plan. Earlier this month, we were notified by TDOT of 3 competitive capital grant awards under their IMPROVE Transit Investment Grant Program. \$1.8 million was awarded toward the upgrade of real-time signage and related infrastructure at the Elizabeth Duff Transit Center at WeGo Central; the second was \$1.2 million for additional stop and shelter improvements throughout the system; and the 3rd was for \$5 million toward the Hickory Hall transit center project in Antioch.
- d. Working with our State Transit Association, we've been following Governor Lee's proposed Transportation Modernization Act Legislation. We've been involved in several meetings with Deputy Governor and TDOT Commissioner Eley to discuss possible public transportation implications of the Act. CEO Bland said that he also attended a meeting with the Davidson County legislative delegation to discuss possible impacts of the Act for the County. Broadly,

the Act would authorize TDOT to solicit proposals from the private sector for public-private partnerships to undertake choice lanes where appropriate as both a means of managing congestion and generating long-term revenue for the transportation program. Commissioner Eley has graciously agreed to attend your March meeting to discuss possible implications for public transportation.

- e. NDOT continues to advance the Connect Downtown Mobility planning process. They are in the process of publishing a variety of possible scenarios for various aspects of Downtown circulation, including potential transit priority corridors. As this work becomes more evolved, they will return to this Board to discuss possible implications for our transit network.
- f. CEO Bland thanked Capital Grants Administrator Billy Higgins, as well as dozens of other staff who have been supporting her in our ongoing Federal Transit Administration Triennial Review process. Although this year's triennial review was delayed for one year by the pandemic, it is an opportunity for FTA to examine all aspects of our operation with respect to Federal requirements for funding. It involves the compilation and review of thousands of pages of documents, so it is a significant undertaking for the agency. We anticipate their final review report to be issued in 2 – 3 months.
- g. Additional thanks to Director of Administration, Kym Tucker; and the Training and Maintenance Departments for continuing to evolve our Maintenance Apprenticeship program. We will be celebrating "Apprenticeship Signing Day" for 6 new candidates (4 internal and 2 external) into the program on March 16. As we continue to make strong progress in attracting new Bus Operators and Facilities Maintenance positions, our weak spot is for Vehicle Technicians so the apprenticeship program will be a crucial element in filling these gaps long-term.
- h. On the RTA side:
 - Hatch Consulting began the Star Future Vision study and is working at full speed now. To date, their work has included various program management activities, meetings with key stakeholder groups, work on the benchmarking portion of the program, and a meeting with RJ Corman – the freight CEO Bland availed himself of questions and there were none at this time.

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

Chair Carr Williams said she appreciated all of the good reports and presentations and all of the action items that were approved today. Specifically, she welcomed and acknowledged Patrick Hester on his presentation of the Escalator Modernization Contract & Vertical Circulation Maintenance Services action item.

She said as the city progresses, it really presents opportunities and challenges for our service, but she believes that everyone has their eye on everything to help explain when we're on time and when we're not, and everyone continues to find new ways to try to work it out.

In conclusion, she thanked and appreciated fellow board members and staff for all of their hard work.

XI. Other Business: There was no other business to come before this board.

XII. Adjournment: With no further business, Chair Carr Williams called for a motion to adjourn the meeting, Janet Miller made a motion, Jessica Dauphin seconded the motion, and the meeting was adjourned at 3:48 p.m.

Attested:

Gail Carr Williams
Chair

Margaret L. Behm
Secretary

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

☒ Information Item ☐ Committee Discussion Item ☐ Committee Action Item ☐ Board Discussion Item

Item Number:	M-I-23-005	Meeting Date:	3/23/2023
Item Title:	Monthly Financial Report Compared to Budget		

BACKGROUND:

Attached is the statement of operations for the month of January 2023 compared to the budget and a balance sheet as of January 31, 2023. For the fiscal year to date, operating revenue is tracking a bit less than budget and expenses are also tracking above budget for a slightly negative net operating position year to date.

Fixed route bus fares continue to track well against budget as ridership continues to rebound. Other Non-Transportation Revenue also has begun to recover as our lease for the parking at WeGo Central has returned to full contract (\$99,223 per month) as of January 1, 2023.

One other anomaly from last month was Local Operating Assistance from Metro reflecting a favorable balance of \$5 million in December has now corrected itself in January and is right on budget for the year-to-date. This was due to the timing of the receipt of the State Operating Assistance occurring the last week of December 2022 and making an extra draw in December from Metro to cover cash flow needs around the holidays in case the State dollars were not received. Consequently, there was no need to draw against Metro's subsidy in January to fulfill our cash flow needs resulting in an unfavorable balance in the monthly column, but right on the budget in the year-to-date column.

We have mentioned before the unfavorable balance in Services Expenses as it relates to assigning our in-house customers to our WeGo Access overflow services due to operator shortages. We will work to correct this with our Spring service changes in April by assigning more operators back to our in-house service. You will also note that we are beginning to see unfavorable balances compared to the budget in Labor and Fringes as well. Up until now, we have seen labor for the unfilled operator positions offsetting our increased overtime. However, between increased overtime due to operator shortages and the additional training costs we have mentioned were possible as it relates to filling open operator positions, we expect this trend to continue through the remainder of this fiscal year. We currently have approximately 60 trainees in the process as we not only look to fill current open positions, but due to the ongoing labor shortages, we are already looking ahead at our needs for next year's planned service increases as well. All in all, this is very good news as we have been making significant progress on our staffing needs.

As of January 31, 2023, RTA owed Nashville MTA approximately \$286,000 for services provided to and from Rutherford County as well as management fees and back office shared expenses related to the Quick Ticket fare collection system due. MTA also had an account payable to RTA of approximately \$28,000 for fares collected as well as WeGo Ride revenue sharing due.

CURRENT STATUS:

CFO Ed Oliphant will be available to answer questions at the meeting.

APPROVED:



Chief Financial Officer

3/23/2023

Date

Metropolitan Transit Authority
Statement of Operations Compared to Budget
For the Period Ending January 31, 2023
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	\$588,769	\$534,645	\$54,124	F	\$3,378,975	\$3,881,915	\$3,664,465	\$217,450	F	\$6,358,780
WeGo Access	60,435	62,160	(1,725)	U	398,859	340,331	394,070	(53,739)	U	708,490
Contract Revenues	234,403	231,412	2,991	F	1,380,962	1,647,955	1,669,930	(21,975)	U	2,877,040
Advertising	28,567	40,110	(11,543)	U	441,036	305,067	332,750	(27,683)	U	552,280
Other Non-Trans Revenue	101,483	112,595	(11,112)	U	725,482	557,801	785,045	(227,244)	U	1,362,200
Total Operating Revenue	1,013,657	980,922	32,735	F	6,325,314	6,733,069	6,846,260	(113,191)	U	11,858,790
Federal/State/Local Income:										
Local Assistance	0	5,000,000	(5,000,000)	U	47,500,000	52,500,000	52,500,000	0	F	61,610,900
State Assistance	0	0	0	F	5,170,200	5,314,300	5,170,200	144,100	F	5,170,200
Federal Assistance - CARES Act	32,708	0	32,708	F	271,137	102,138	0	102,138	F	4,071,610
Total Assistance Income	32,708	5,000,000	(4,967,292)	U	52,941,337	57,916,438	57,670,200	246,238	F	70,852,710
Capital Revenue:										
American Rescue Operating Reimbursment	0	0	0	F	0	0	0	0	F	24,427,585
Capital Operating Reimbursement	0	0	0	F	0	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	0	0	0	0	F	24,427,585
Total Revenue	\$1,046,365	\$5,980,922	(\$4,934,557)	U	\$59,266,651	\$64,649,507	\$64,516,460	\$133,047	F	\$107,139,085
Expenses from Operations:										
Labor and Fringes	\$6,791,160	\$6,625,580	(\$165,580)	U	\$40,577,025	\$44,786,574	\$44,771,765	(\$14,809)	U	\$76,612,120
Services	1,020,239	949,134	(71,105)	U	5,910,829	7,533,591	6,933,689	(599,902)	U	11,969,110
Fuel	609,732	604,685	(5,047)	U	1,471,116	4,135,466	4,336,915	201,449	F	7,424,390
Parts, Materials and Supplies	764,963	516,985	(247,978)	U	2,845,241	3,802,142	3,786,825	(15,317)	U	6,539,610
Utilities	152,220	115,890	(36,330)	U	790,835	844,313	851,590	7,277	F	1,471,460
Casualty and Liability	228,554	213,520	(15,034)	U	1,276,519	1,562,239	1,492,390	(69,849)	U	2,457,720
Other	42,631	54,680	12,049	F	216,789	259,102	387,040	127,938	F	664,675
Total Operating Expenses	9,609,499	9,080,474	(529,025)	U	53,088,354	62,923,427	62,560,214	(363,213)	U	107,139,085
Operating Surplus / (Deficit)	(\$8,563,134)	(\$3,099,552)	(\$5,463,582)	U	\$6,178,297	\$1,726,080	\$1,956,246	(\$230,166)	U	\$0
Capital Grant Revenue	705,656		705,656	F	3,418,900	5,433,874		5,433,874	F	
Capital Grant Revenue -CARES Act	0		0	F	173,668	212,063		212,063	F	
Rental income - MCC Amortization	49,167		49,167	F	344,169	344,169		344,169	F	
GASB 87 Lease Interest Expense	(20,400)		(20,400)	U		(142,428)		(142,428)	U	
Depreciation and Amortization	(1,799,747)		(1,799,747)	U	(14,025,856)	(13,098,684)		(13,098,684)	U	0
Surplus / (Deficit)	(\$9,628,458)	(\$3,099,552)	(\$6,528,906)	U	(\$3,910,822)	(\$5,524,926)	\$1,956,246	(\$7,481,172)	U	\$0

Metropolitan Transit Authority

Comparative Balance Sheets

	Month Ended January 31, 2023 (unaudited)	Month Ended June 30, 2022 (audited)
CURRENT ASSETS		
Cash and cash equivalents	\$6,249,095	\$3,780,301
Receivables from federal, state and local government	403,359	1,483,679
Accounts receivable	1,025,880	1,513,979
Materials and supplies	3,053,419	3,288,783
Prepaid expense and other	2,042,068	1,651,572
Pension & OPEB Deferred Outflow	34,548,339	34,548,339
Total Current Assets	47,322,160	46,266,653
PROPERTY AND EQUIPMENT		
Land	14,733,025	14,733,025
Building, shelter and benches	119,468,625	118,892,706
Revenue equipment and parts	187,651,188	187,050,821
Office furniture and equipment	6,456,000	6,377,272
Other	10,108,096	5,654,722
	338,416,934	332,708,546
Less: Accumulated Depreciation	(194,066,576)	(180,956,798)
Total Property and equipment, net	144,350,358	151,751,748
OTHER ASSETS		
North Nashville Property (Lease)	7,063,765	7,063,765
Cash and investments for self-insurance and other	902,466	731,607
TOTAL ASSETS	\$199,638,749	\$205,813,773
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$2,902,042	\$3,158,951
Accrued expenses	8,005,635	7,733,165
Deferred revenue	148,498	99,427
Note Payable	0	0
Total Current Liabilities	11,056,175	10,991,543
NON-CURRENT LIABILITIES		
Deferred Revenue	5,853,276	6,197,445
North Nashville Lease Liability	7,049,599	7,049,599
Net Pension Liability	4,206,838	4,206,838
Pension & OPEB Deferred Inflows	24,580,424	24,580,424
Net other postemployment benefits obligations	79,108,586	79,108,586
NET ASSETS		
Invested in capital assets	138,497,082	145,554,303
Reserve for capital purchases	552,466	381,607
Unrestricted	(65,740,771)	(77,403,145)
Current Year Surplus / (deficit)	(5,524,926)	5,146,573
Total Net Assets	67,783,851	73,679,338
TOTAL LIABILITIES AND NET ASSETS	\$199,638,749	\$205,813,773

	Current	> 30 days	> 60 Days	> 90 days	Total
Accounts Receivable	\$846,177 82.5%	\$66,831 6.5%	\$54,437 5.3%	\$58,435 5.7%	\$1,025,880 100.0%
Accounts Payable	\$2,210,320 76.2%	\$531,898 18.3%	\$133,169 4.6%	\$26,655 0.9%	\$2,902,042 100.0%

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

☒ Information Item ☐ Committee Discussion Item ☐ Committee Action Item ☐ Board Discussion Item

Item Number:	M-I-23-006	Meeting Date:	3/23/2023
Item Title:	Monthly Operating Statistics		

BACKGROUND:

Attached are monthly operating statistics through January 2023.

This month was relatively mild compared to 2022, which saw multiple winter storms. This is reflected in the very large increases in year-over-year ridership, productivity, and trip completion.

Aggressive operator recruitment continues, with new classes of bus operators being released into service every two weeks. While this is a positive for the agency overall in terms of its ability to deliver service, there are also temporary negative impacts. One of these is the cost per hour to deliver service. While in training, new operators are getting paid, but they are not actually covering revenue service shifts. Much like administrative staff salaries, these training salaries still contribute to the fully allocated cost per hour. With more than 10% of our entire operator workforce in new hire training, this effect is significant. In addition, some senior bus operators are temporarily serving as trainers to accommodate the large class sizes, and their shifts must then be covered over time. This issue was also addressed in CFO Oliphant's reporting on expense trends.

Vehicle availability remains a challenge, but we are now receiving both paratransit vans and fixed-route buses. All six Chevrolet paratransit vans ordered in 2022 have been received, and the majority of our 60' New Flyer articulated bus order is onsite and being prepared for revenue service. The Gillig 40' buses are still anticipated later this Spring.

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

3/23/2023

Date

Operations Dashboard Report

	January-2023	January-2022	Pct. Change	Goal	Indicator
Ridership					
Bus Ridership	621,926	442,193	40.6%		
Access Ridership	29,353	20,934	40.2%		
Total Ridership	651,279	463,127	40.6%	700,000	▲
Percentage of Pre-Pandemic Ridership	80.7%	57.4%	23.3%	85.0%	▲
Productivity & Efficiency					
Bus Passengers per Revenue Hour	14.66	11.47	27.8%	16.00	▲
Access Passengers per Revenue Hour	1.67	1.52	9.9%	1.75	▲
Cost Per Scheduled Revenue Hour	\$170.31	\$139.32	22.2%	\$141.46	◆
Safety					
Total Collisions per 100,000 miles	5.7	4.5	28.6%	4.8	◆
Preventable Collisions per 100,000 miles	3.0	2.6	18.1%	1.6	◆
Service Quality					
Bus Trip Completion	99.74%	96.59%	3.16%	99.75%	▲
Bus On-Time Performance	86.1%	89.3%	-3.2%	85.0%	●
Access On-Time Performance	93.0%	92.8%	0.2%	92.0%	●
Maintenance					
Bus Miles Between Road Calls	7,369	6,083	21.1%	6,000	●
Access Miles Between Road Calls	28,808	38,027	-24.2%	18,000	●
Customer Care					
Bus Passengers per Complaint	4,676	4,859	-3.8%	4,000	●
Access Passengers per Complaint	402	436	-7.8%	400	●
Percent of Calls Answered	94.7%	94.0%	0.7%	95.0%	▲
Staffing					
% of Operator Positions Filled	94.0%	100.0%	-6.0%	95.0%	▲
% of Maintenance Positions Filled	85.9%	83.5%	2.5%	95.0%	▲
Customer Amenities					
% of Stops with Shelters (including Central)	18.0%	16.6%	1.4%	18.0%	▲
% of Boardings at Covered Stops (including Central)	72.1%	71.4%	0.7%	73.0%	▲

● Exceeding Goal
 ▲ Within 10% of Goal
 ◆ More than 10% off Goal

Operations Dashboard Report

	FY2023 January-2023	FY2022 January-2022	Pct. Change	Goal	Indicator
Ridership					
Bus Ridership	4,450,120	3,318,574	34.1%		
Access Ridership	206,279	172,489	19.6%		
Total Ridership	4,656,399	3,491,063	33.4%	4,900,000	▲
Percentage of Pre-Pandemic Ridership	80.9%	60.7%	20.2%	85.0%	▲
Productivity & Efficiency					
Bus Passengers per Revenue Hour	15.08	12.54	20.3%	16.00	▲
Access Passengers per Revenue Hour	1.74	1.66	4.8%	1.75	▲
Cost Per Scheduled Revenue Hour	\$159.52	\$134.41	18.7%	\$141.46	◆
Safety					
Total Collisions per 100,000 miles	4.6	4.4	2.9%	4.8	●
Preventable Collisions per 100,000 miles	2.0	2.2	-7.8%	1.6	◆
Service Quality					
Bus Trip Completion	99.61%	99.44%	0.17%	99.75%	◆
Bus On-Time Performance	85.3%	88.5%	-3.2%	85.0%	●
Access On-Time Performance	91.9%	93.0%	-1.1%	92.0%	▲
Maintenance					
Bus Miles Between Road Calls	6,839	5,606	22.0%	6,000	●
Access Miles Between Road Calls	20,220	22,086	-8.5%	18,000	●
Customer Care					
Bus Passengers per Complaint	5,045	4,185	20.6%	4,000	●
Access Passengers per Complaint	326	418	-21.9%	400	◆
Percent of Calls Answered	94.2%	94.8%	-0.6%	95.0%	▲
Staffing					
% of Operator Positions Filled	92.0%	96.4%	-4.3%	95.0%	▲
% of Maintenance Positions Filled	84.2%	86.4%	-2.2%	95.0%	◆
Customer Amenities					
% of Stops with Shelters (including Central)	17.6%	16.3%	1.3%	18.0%	▲
% of Boardings at Covered Stops (including Central)	71.9%	71.7%	0.2%	73.0%	▲

● Exceeding Goal ▲ Within 10% of Goal ◆ More than 10% off Goal

Operations Dashboard Glossary

Metric	Definition
Ridership	
Bus	Total fixed route passenger boardings on all WeGo operated services
Access	Total paratransit boardings (WeGo vehicles and third-party service providers, and Access-on Demand ridership)
Total	Total Bus & Access ridership combined
Percentage of Pre-Pandemic Ridership	Total ridership for the current period divided by total ridership for the same period in Fiscal Year 2019
Productivity & Efficiency	
Bus Passengers per Revenue Hour	Total fixed route passenger boardings divided by total scheduled fixed route revenue vehicle hours. Revenue vehicle hours is the time (in hours) when the bus is providing service to the general public
Access Passengers per Revenue Hour	Total paratransit boardings on WeGo vans divided by total scheduled paratransit revenue vehicle hours. Revenue vehicle hours is the time (in hours) when the bus is providing service to the general public.
Total Cost Per Scheduled Revenue Hour of Service	Total fully allocated cost to deliver service divided by the total scheduled revenue hours. Revenue vehicle hours is the time (in hours) when the bus is providing service to the general public
Safety	
Miles Between Total Collisions	Total number of Collisions divided by total number of revenue miles multiplied by 100,000. An Collision is defined as any time the vehicle makes contact with something other than the road resulting in any damage and/or injuries
Miles Between Preventable Collisions	Total number of Collisions determined to be preventable divided by total number of revenue miles multiplied by 100,000. A preventable Collision is defined as an Collision in which the Operator did not do everything reasonably possible to avoid the collision
Service Quality	
Bus Trip Completion Percentage	Percentage of one-way fixed route revenue trips completed versus scheduled. Includes partial missed trips
Bus On-Time Performance	Percentage of total scheduled fixed route timepoint departures occurring between 59 seconds early and 5 minutes 59 seconds late as recorded by the Automated Vehicle Location (AVL) system. Arrivals are used for on-time performance calculations for the last stop of the trip, with early arrivals at end of line considered as on-time
Access On-Time Performance	Percentage of total scheduled paratransit trips, not including Access-on-Demand or WeGo Link, where vehicle arrives no later than 59 seconds outside of the scheduled pick-up window

Operations Dashboard Glossary

Metric	Definition
Maintenance	
Bus Miles Between Road Calls	Any mechanical or system failure of any nature (excluding accidents) occurring on an MTA-operated vehicle in fixed route revenue service that causes the vehicle to be removed from service.
Access Miles Between Road Calls	Any mechanical or system failure of any nature (excluding accidents) occurring on an MTA-operated vehicle in paratransit (Access) revenue service that causes the vehicle to be removed from service.
Customer Care	
Bus Passengers Carried per Complaint	Total fixed route passengers divided by total fixed route customer complaints.
Access Passengers Carried per Complaint	Total paratransit (WeGo and third-party service providers) passengers divided by total paratransit customer complaints.
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.
Staffing	
% of Operator Positions Filled	Total WeGo Operators available divided by total number of operator positions budgeted for service. Part-time Access operators are not included
% of Maintenance Positions Filled	Total WeGo Maintenance positions available divided by total number of maintenance positions budgeted for service. All maintenance and cleaning positions for vehicles and facilities are included
Shelters	
% of Stops with Shelters (including Central)	The total number of stops with shelters divided by total number of stops WeGo operates.
% of Sheltered Boardings (including Central)	The total number of riders who boarded with a shelter (including WeGo Central boardings) divided by the total number of riders for the time period.

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

List of Upcoming Procurement Projects

Meeting Date: 3/23/2023

Item #: M-I-23-007

Project Name: Nestor Facility Westside Sewer Line Replacement

- Brief Description: Replacement and relocation of the sewer line at the west side of the Nestor Facility
- Anticipated Publish Date: March 2023
- Estimated Project Value: \$ 300,000

Project Name: System Security Assessment

- Brief Description: Professional Services to Develop and Help Implement a Public Transportation System Security Plan
- Anticipated Publish Date: March 2023
- Estimated Project Value: \$ 500,000

Project Name: 40' Heavy Duty Bus Procurement

- Brief Description: Long-term agreement for a fleet replacement to meet Federal Transit Authority replacement criteria.
- Anticipated Publish Date: April 2023
- Estimated Project Value: \$ 32,100,000

Project Name: Buchanan Transit Stop Construction

- Brief Description: This project will construct four shared cycle track transit platforms on Buchanan Street and a new pedestrian crosswalk at 16th Ave. N. Each of the four shared cycle track transit platforms includes curb changes to accommodate the bicycle lane ramping up to the same elevation as the sidewalk.
- Anticipated Publish Date: April 2023
- Estimated Total Project Value: \$373,000

Project Name: Furniture, Furnishings and Case Goods Procurement

- Brief Description: Contract for office furniture, associated goods, and installation services.
- Anticipated Publish Date: April 2023
- Estimated Project Value: \$800,000

Project Name: Janitorial Cleaning Supplies and Equipment Procurement

- Brief Description: Contract for janitorial cleaning supplies and cleaning equipment.
- Anticipated Publish Date: April 2023
- Estimated Project Value: \$2.5 Million

Project Name: Nester Backflow Redesign/Construction Project

- Brief Description: This procurement will redesign and repair the existing backflow system that is in disrepair.
- Anticipated Publish Date: April 2023
- Estimated Project Value: TBD

Project Name: ADA Capacity Access

- Brief Description: Request for Proposals (RFP) with the goal of contracting with multiple contractors in providing services for the following four services:
- **Access Overflow** - service for WeGo's ADA paratransit service called Access.
- **Access On Demand** - an on-demand alternative service for Access customers.
- **Access Flex** - a new pilot program where Access customers may opt-in to a program where Access customers allow WeGo to assign an ADA paratransit trip request to a carrier with vehicle operators that are not "ADA paratransit certified."
- **WeGo Link** - a microtransit service, defined as a shared-ride¹ on-demand service for the public.
- Anticipated Publish Date: May 2023
- Estimated Project Value: TBD

Project Name: DTO Legal Services (RFP)

- Brief Description: Legal Services for DTO
- Anticipated Publish Date: May 2023
- Estimated Project Value: \$ 300,000

Project Name: Industrial Parts Washer and Services Procurement

- Brief Description: Contract for vehicle waste disposal services and parts washer equipment.
- Anticipated Publish Date: May 2023
- Estimated Project Value: TBD

Project Name: Life Insurance

- Brief Description: Employee's life insurance coverage
- Anticipated Publish Date: September 2023
- Estimated Project Value: TBD

Project Name: Parking Garage Management Services

- Brief Description: Parking garage management services for Central/ revenue contract
- Anticipated Publish Date: October 2023
- Estimated Project Value: TBD

Project Name: Pre & Post Vehicle Inspection Services

- Brief Description: Pre and post-award audit services to ensure purchased rolling stock comply with the Buy America requirements.
- Anticipated Publish Date: October 2023
- Estimated Project Value: TBD

CURRENT STATUS:

Pursuant to earlier Board discussions, 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 from staff, no discussion is planned at the meeting. This material is provided for information only.

APPROVED:

Denise Richardson

Director of Procurement & Business Diversity

3/23/2023

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

☒ Information Item ☐ Committee Discussion Item ☐ Committee Action Item ☐ Board Discussion Item

Item Number:	M-I-23-008	Meeting Date:	3/23/2023
Item Title:	Annual Risk Assessment		

BACKGROUND:

Annual risk assessments should include reviews of various areas of internal control, policies, and procedures to identify strengths and weaknesses and areas of financial or operational exposure and/or focus. We seek input from the MTA Board as to what areas of risk they might see that have not been mentioned and look for some discussion on what mitigation measures can be taken to further mitigate overall risk and address ways to continue to improve overall operations

CURRENT STATUS:

Below is a list of each of the areas previously identified in past years and a discussion of some new areas with an inherent risk for discussion.

Grant Management – continue to have a heavy dependence on grant funding for our operating and capital needs.

Fare Collections

The QuickTicket system will continue to be a major focus to improve our internal controls over our prior antiquated systems as we continue to convert our riders.

Cash Management

Will continue to require our \$20 million line of credit to assist cash flow during times when grant funding is delayed for preventive maintenance (PM) and ADA operating expenses. This year was unique with the receipt of the American Rescue Plan funding which will temporarily be used for PM and ADA expenses and free up Federal 5307 for existing capital projects in our Capital Plan. Given recent elections and a “split” Congress we envisioned a heightened risk with respect to the flow of Federal funds as the risk of future budget impasses at the Federal level grows.

Medical Claim Payments

WeGo is self-funded for all medical payments for a base amount of coverage per employee with separate excess insurance coverage in place for catastrophic claims. All claims are managed by BlueCross BlueShield of Tennessee (BCBSTN), our third-party administrator. Medical claims over the last several years before the pandemic have averaged from \$12 to \$14 million annually with a spike in FY2021 to approximately \$18.5 million. Claims are monitored on a weekly and monthly basis through internal spreadsheets to monitor trends and reports received from BCBSTN. We saw the spike in FY2021 mainly due to the pandemic with FY2022 fluctuating down from our peak, but still higher than the relatively stable years we saw before the pandemic. This area continues to be a primary focus. We meet monthly with HUB International, our healthcare consultants, and have taken steps this year to help try to understand areas to focus on and reduce costs. We have also purchased a third-party software that works with BCBS and is still in the process of downloading five years of history that will allow us to do much deeper dives into claim trends and costs to help us better focus on problem areas to address. We have also implemented a wellness program pilot with 31 participants that we will monitor over the next year to gauge what impact it might have on health expenses. We will continue to look for ways to positively impact medical claims through wellness programs or other proven strategies.

Workers' Compensation Payments

WeGo is also self-funded for all workers' comp injury claims up to \$500,000 per occurrence with separate excess insurance coverage for catastrophic injuries. Cumulative injury claims over the last several years have been in excess of \$1 million annually. This is an area we can have a positive impact on and continue to expand the Risk Management Committee and meet monthly with our third-party administrator, Brentwood Services, to analyze what type of injuries are occurring and how to prevent them from happening in the future. The Safety Department is also tightening up the process for reporting claims and developing possible disciplinary action for employees who are late in reporting their accident or injury to appropriate management. There is also a focus on repeat offenders and investigations into possible abuse of the system.

Payroll Processing

WeGo processes payrolls every two weeks. Labor expenses are by far our largest expense and we use ADP for all our payroll processing. It is imperative that the controls surrounding the payroll process be maintained and monitored to ensure accurate pay and combat fraud or incorrect reporting of time worked. We have detailed processes and procedures that are followed to ensure accurate reporting. We also from time to time will have refresher training to ensure that all managers are properly trained and familiar with the payment approval process. A mitigating factor for payroll is that the payroll process is reviewed annually by our independent auditing firm as a part of the annual audit.

Inventory Management Parts Inventory

Parts inventory is a very important area to have good processes and controls in place so that we can ensure parts are available when needed for bus and van repairs, but at the same time, not have too many dollars invested in inventory that it ties up dollars that could be used elsewhere. We continue to review some useful metrics to monitor inventory levels, inventory turns, and delays in fleet repairs due to having to wait on parts. Due to the supply chain crisis, we are seeing across the country, we have had to alter normal parts inventory levels and have identified the most critical parts that are needed to maintain our fleet in a state of good repair and are allowing higher than normal min/max levels to ensure that parts are available. We will continue to monitor the situation and act accordingly to keep our fleet running.

Other Consumables

Other consumables are another area that should be monitored. While the monetary impact is relatively low, the possibility of the occurrence of duplicate orders and controlling the use of office supplies can be problematic. We have consolidated all office supplies and consumables which it is closely monitored by our administrative assistants.

Accounts Payable

The policies and procedures surrounding accounts payable and procurement are well documented and followed. It is rare for an invoice to be missed. Payables are generally paid within 30 days with some payables reaching up to 60 days, especially when associated with reimbursement grant funding. We continue to refine the procurement and invoice flow process to better define and outline the necessary steps for purchasing and invoice payment and look for ways to electronically automate and track invoices. There is refresher training throughout the agency to ensure a strong accounts payable process. It should be noted as well that the policies and procedures are reviewed and tested annually by our independent auditors.

Account Receivable

Accounts receivable are reconciled monthly and generally involve very small dollars from small agencies and customers. The larger dollar customers involve our contracted WeGo Ride customers which are monitored monthly and rarely exceed 30 to 60 days for receipt of payment.

Ticket Media Sales

Ticket sales can occur in several ways including ticket sales at customer care windows at WeGo Central online sales, phone order and consignment sales, and ticket vending machines. Ticket media sales continue to be a major focus with the implementation of our new fare collection system and conversion of our riders to QuickTicket. The new system allows our customers to manage their accounts via web access as well as purchase proximity cards through our new retail network. While there is a higher monetary impact on revenues, it will be imperative to have strong processes and procedures, and controls surrounding ticket media sales

internally and externally and ensure that all media sales are reconciled monthly by someone independent of the actual ticket sellers.

Staffing Shortages

Staffing shortages have been occurring across the country and all industries including transit. In order to maintain our service levels and even expand services, we are utilizing all sorts of strategies to address our bus operator shortage specifically, but also maintenance and administrative positions as well. We have to be different and make MTA stand out to attract the employees we need. Some of the strategies to fill open positions include:

1. Increasing the operator's starting wage to \$22.88 per hour
2. Award 4% annual increases to all Union positions
3. Reduce the progression to top pay from 4 years to 3 years
4. Allow contingency hiring of individuals without a required CDL license and train them to get a CDL and move them directly into normal operator training
5. Offering sign-on bonuses to new hires and referral bonuses to our existing employees

We believe that these strategies are having some success as we are starting to see larger training classes in both regular training and CDL classes as well. Are there other strategies that need to be discussed?

Strategic Fuel

With more and more “events” occurring that interrupt nationwide or regional fuel supplies, it is critical that MTA has some way to guarantee diesel and gasoline supplies during crises to ensure MTA’s ability to keep service on the street. While we have a fuel hedging program to help stabilize fuel costs from a budgetary perspective, we currently purchase all fuel from daily spot market quotes to take advantage of pricing, but that does not provide us with any supplier who could guarantee consistent supply. We started the process last year of putting out an RFP to identify suppliers whom we can guarantee a percentage of our fuel purchases on a cost-plus basis in order to have a guaranteed supply when a crisis arises that jeopardizes our fuel supply.

Impact of COVID

Just like everyone else at the outset of the COVID pandemic, we have been reacting to changes we never dreamed possible. As we progressed, we found ways to be proactive in protecting our employees and identified a third party to help us create ways to install protocol measures and mitigate exposure to COVID to keep MTA running through the pandemic. Some of the measures taken that are still in place are as follows:

1. Driver barriers are installed on all buses to better protect our drivers.
2. Continuation of the extra wipe-downs of buses passing through WeGo Central.
3. Monthly third-party swab testing of all facilities and buses.
4. All janitors are being trained and certified in Global Bio-risk Advisory Council protocols to help prepare, respond, and recover from infectious disease outbreaks and bio-hazard situations.

Improve Act Funding Continuing

Consideration needs to be given to the possibility that Improve Act Funding not be awarded consistently or at all. While this is annual discretionary funding awarded by TDOT which MTA consistently applies for projects that fall within the parameters of the Improve Act, not receiving this funding would/could create issues for our approved Capital Plan causing either a delay or cancellation of certain capital projects. There are no assumptions of receiving the funding annually in the Capital Plan, but it is still an important part of the Capital Plan in terms of starting and completing projects. Decisions should be considered about the best course of action to take should funding not be available. Strategies for prioritizing capital projects, the ability to identify alternative funding, and regular communications with TDOT promoting the importance of receiving funding for pertinent projects should all be considered. An open discussion would be welcome to discuss these and other strategies to manage this risk.

Metro Government Continuing to Fund New and Enhanced Services in the Mayor’s Transportation Plan

Consideration needs to be given to the possibility that Metro funding for Better Bus service improvements included in the Mayor’s Transportation Plan not be awarded consistently or at all. Without some form of dedicated

funding, MTA is at the mercy of Metro funding to implement and sustain the new services outlined in the Transportation Plan. Decisions should be considered about the best course of action to take should funding not be available. An open discussion would be welcome to discuss these and other strategies to manage this risk.

While this is certainly not an exhaustive list, it is a good exercise to identify all possible risks and address them in order of importance to continue to find ways to hopefully reduce and mitigate risk to the company.

Chief Financial Officer Ed Oliphant and Steve Bland will lead a discussion on the risk assessment at the meeting.

APPROVED:



Chief Financial Officer

3/23/2023

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

☒ Information Item ☐ Committee Discussion Item ☐ Committee Action Item ☐ Board Discussion Item

Item Number:	M-I-23-009	Meeting Date:	3/23/2023
Item Title:	Annual Conflict of Interest Disclosure		

BACKGROUND:

As you know, the Regional Transportation Authority of Middle Tennessee (RTA) has contracted with the MTA for a number of years to provide management services for that agency. This arrangement has been widely praised by members of both Boards of Directors and the community at large for being a cost-efficient means of serving both agencies and has certainly resulted in a more seamless public transportation system for the traveling public in Middle Tennessee.


Several years ago, a performance audit for RTA conducted by the Office of the State Comptroller (OSC) pointed out that, while appropriate and desirable, this arrangement could result in real or perceived conflicts of interest where one agency might benefit at the cost of the other because of specific management decisions. The OSC recommended that the Boards of Directors of both organizations undertake an annual conflict of interest review to discuss potential conflicts and measures to mitigate these conflicts.

CURRENT STATUS:

The attached report represents the areas that management has identified in FY2022/23 where a decision or recommendation was made that could appear to cause a potential for conflicts of interest for the two agencies as well as action taken to mitigate any conflicts.

Chief Financial Officer Ed Oliphant will be available to address any questions about the report at the meeting.

APPROVED:



Chief Financial Officer

3/23/2023

Date

Nashville MTA and RTA Potential Conflicts of Interest

Potential or Perceived Conflicts	Mitigation
<p><u>MTA/ RTA Management Annual Fee</u></p> <p>RTA has a five year contract expiring June 30, 2026 with Nashville MTA for management services at a set annual rate that can be adjusted on an annual basis. What is considered a reasonable rate for RTA to pay for management services? How often should RTA go out to bid for the management services?</p>	<p>Perform annual cost analysis from an MTA perspective and possibly MTA employees track time spent on RTA business. Also analyze from an RTA perspective the reasonableness of the contract amount as a part of RTA's overall general and administrative expense compared to total operating expenses. Both Boards approve the management fee on an annual basis.</p>
<p><u>MTA/RTA Transit Services Operating Contract</u></p> <p>RTA contracts annually with Nashville MTA for regional bus services in the Southeast Corridor as well as connection urban bus services for the Music City Star commuter rail at Riverfront Station in downtown Nashville. Who decides how many hours of service should be provided? What is a reasonable contractual hourly rate to charge for the services?</p>	<p>Perform annual cost analysis from an MTA perspective to justify what is a reasonable hourly rate. Also analyze from an RTA perspective the reasonableness of the hourly rate based on comparisons to what would be charged through the competitive bid process. Also, discuss appropriate service levels with both Boards, especially due to the impact of the coronavirus on current ridership levels.</p>
<p><u>Emergency Bus Service Support for Unscheduled Services (NEW)</u></p> <p>From time to time, RTA is in need of unanticipated emergency bus service should there be operational issues on the STAR, the Rutherford County service provided by MTA or regional bus service provided by Gray Line. Currently, this support service is not included in the commuter bus services operating contracts between MTA and RTA. What is a reasonable contractual rate for these services?</p>	<p>Currently, when RTA has requested these emergency services, MTA charges the rate established in the transit services operating contract. This is not a material item as these type emergency services are rare. Management will plan to include these services in the MTA/RTA transit services operating contracts for the FY2023/24 renewal contract and going forward.</p>
<p><u>Cashflow between MTA and RTA</u></p> <p>There are times during the fiscal year that RTA can be slow paying for transit services or their management fee due to RTA's cashflow and MTA accommodates this and has at times gone out 90 days for receivables from RTA.</p>	<p>Being transparent to the respective MTA and RTA Boards in reporting A/R and A/P agings on a monthly basis.</p>
<p><u>Allocation of Regional Formula Capital Funding</u></p> <p>Each year, the Nashville Region now receives approximately \$25 to \$30 million in federal 5307 Capital Formula funding as well as formula and discretionary 5339 Bus and Bus Facility funding. What is the fair and equitable method for allocating between the 4 eligible agencies in the region (MTA,RTA & Franklin Transit & Williamson County).</p>	<p>The Nashville Area Metropolitan Planning Organization (MPO) is the agency responsible for the distribution of all federal grants for the region. All projects that utilize federal grants are contained in the Transportation Improvement Plan (TIP) which is managed by the MPO. The allocation of funding is dependent on what projects the four regional agencies identify in the TIP that have the highest priorities. The allocation is ultimately approved by the MPO.</p>
<p><u>Allocation of Regional Pandemic Relief Funding</u></p> <p>As a result of the COVID-19 pandemic, US Congress passed the <i>Coronavirus Aid, Relief, and Economic Security Act (CARES)</i> in March 2020 and the American Rescue Plan (ARP) in March 2021. The dollars were awarded using the formula for federal 5307 formula funding. Based upon that, our region was awarded \$75.7 million in 100% federal dollar allocation under CARES and \$48.2 million under ARP for use as capital or operating and was not subject to being included in the Transportation Improvement Plan (TIP). What is the fair and equitable method for allocating the dollars between the 4 eligible agencies in the region of MTA, RTA, Franklin Transit & Williamson County.</p>	<p>The Nashville Area Metropolitan Planning Organization (MPO) under the umbrella of the Greater Nashville Regional Council (GNRC) is the agency responsible for the distribution of all federal grants for the region. Since CARES and ARP Act dollars were not subject to the TIP, the MPO, in discussion with the 4 eligible recipients, decided to follow the average percentage allocations historically used in the region with some minor adjustments based upon the projects being suggested for the grants use. The allocation was ultimately approved by the MPO with no objections from the agencies and county.</p>

Nashville MTA and RTA

Potential Conflicts of Interest

Potential or Perceived Conflicts	Mitigation
<p><u>COVID related Service Reductions</u></p> <p>As a result of the COVID-19 pandemic, both MTA and RTA experienced significant decreases in ridership that resulted in the need to reduce service on the street based upon ridership demand. Regional ridership was down approximately 78%-80% while local MTA service was down approximately 35%-45%. How were service levels determined for each agency?</p>	<p>Management analyzed trip loads during the start of the pandemic in March and April 2020 and made common sense strategic adjustments in April 2020 to services levels based on demand. As we have progressed through the impacts of the pandemic, additional analysis was done with close to full service hours being restored in October 2021 for both agencies. These service plans were communicated and discussed with both Boards.</p>
<p><u>Grant Applications other than formula funds</u></p> <p>Grant applications other than formula 5307 for different federal and state funding are submitted throughout the year for different MTA and RTA projects. How is it determined what each agency should apply for and how are the priorities determined?</p>	<p>Management pursues many federal grants for both agencies based upon agency needs identified in their respective Board approved capital plans that would not be covered by annual formula grant funding (Federal 5307 and 5339).</p>
<p><u>State WeGo Ride Revenue split</u></p> <p>RTA provides rides to State employees and receives a revenue split from MTA due to the State requiring only one vendor contract for all Easy Ride Services. What is the basis for determining what that split rate should be for RTA rides?</p>	<p>Perform an analysis annually that distributes the revenue from the State Easy Ride Contract based upon the last twelve months of ridership provided by both MTA and RTA for State employees. The analysis is discussed with both MTA and RTA committees and Boards on an annual basis.</p>
<p><u>Park and Ride Lots</u></p> <p>Park and ride lots are critical to the success of the regional bus program provided by the RTA as well as the Music City Star. While RTA owns all the lots located at the train stations, most regional bus park and ride lots are not owned. Which agency should receive grant funding for park and ride lots?</p>	<p>Management continues to discuss the priority for park and ride lots for each agency with their respective Boards to determine how any grant funding should be used.</p>
<p><u>StriDe Youth Program</u></p> <p>MTA has an agreement with Metro Nashville Public schools that allows Metro students to ride MTA buses at \$0.90 per ride paid by Metro Schools. There are some students using RTA regional bus and train services under both programs.</p>	<p>MTA reimbursed the RTA approximately \$12,400 for student rides provided during FY2022. This reflects approximately 6,200 rides being provided for the fiscal year. Currently MTA reimburses RTA based upon RTA student fare rates.</p>
<p><u>Revenue Sharing for WeGo Ride Pilot Program</u></p> <p>The agencies entered into an agreement to split revenues for a pilot program targeting businesses to provide public transportation services to their employees based upon annual contracts based upon the number of employees as opposed to the per swipe program.</p>	<p>Per the Revenue Sharing Agreement approved by both Boards, the revenues from the pilot are allocated on a percentage basis of the weighted average of the rides provided by mode calculated at each mode's respective full fare price. The allocation method was reviewed by both Boards with results of revenue splits being presented annually.</p>
<p><u>Quick Ticket Fare Collection System Back Office Expenses (NEW)</u></p> <p>MTA has purchased and converted to a new account based fare collection system called Quickticket developed by INIT, a German company. The RTA Board approved adoption of the Quickticket system to help create a more seamless system operating under the brand name of WeGo Public Transit. With implementation of the new system, RTA agreed to share in the annual costs of the new system as it related to all the back office internal support costs and license fees incurred to maintain and operate the system. What should RTA's fair share be of the cost to operate the fare collection system?</p>	<p>The annual costs identified to operate the Quickticket system consist of licensing fees, Metro IT fees with Metro IT housing all the servers for the system and the annual contract maintenance fees for the system. A cost sharing formula has been developed based upon four criteria, 1) Ridership 2) Fare Revenues 3) Pieces of Equipment and 4) Dollar value of the equipment. A weighted average percent is calculated between the 2 agencies for the four criteria to determine an average weighted averaged to be applied to the total costs identified to operate the Quickticket system annually. The cost sharing formula and related dollars will be reviewed by both Boards and discussed during annual budget presentations to both Boards.</p>

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-23-007	Meeting Date:	3/23/2023
Item Title:	Passenger Waiting Shelter Contract Value Increase		

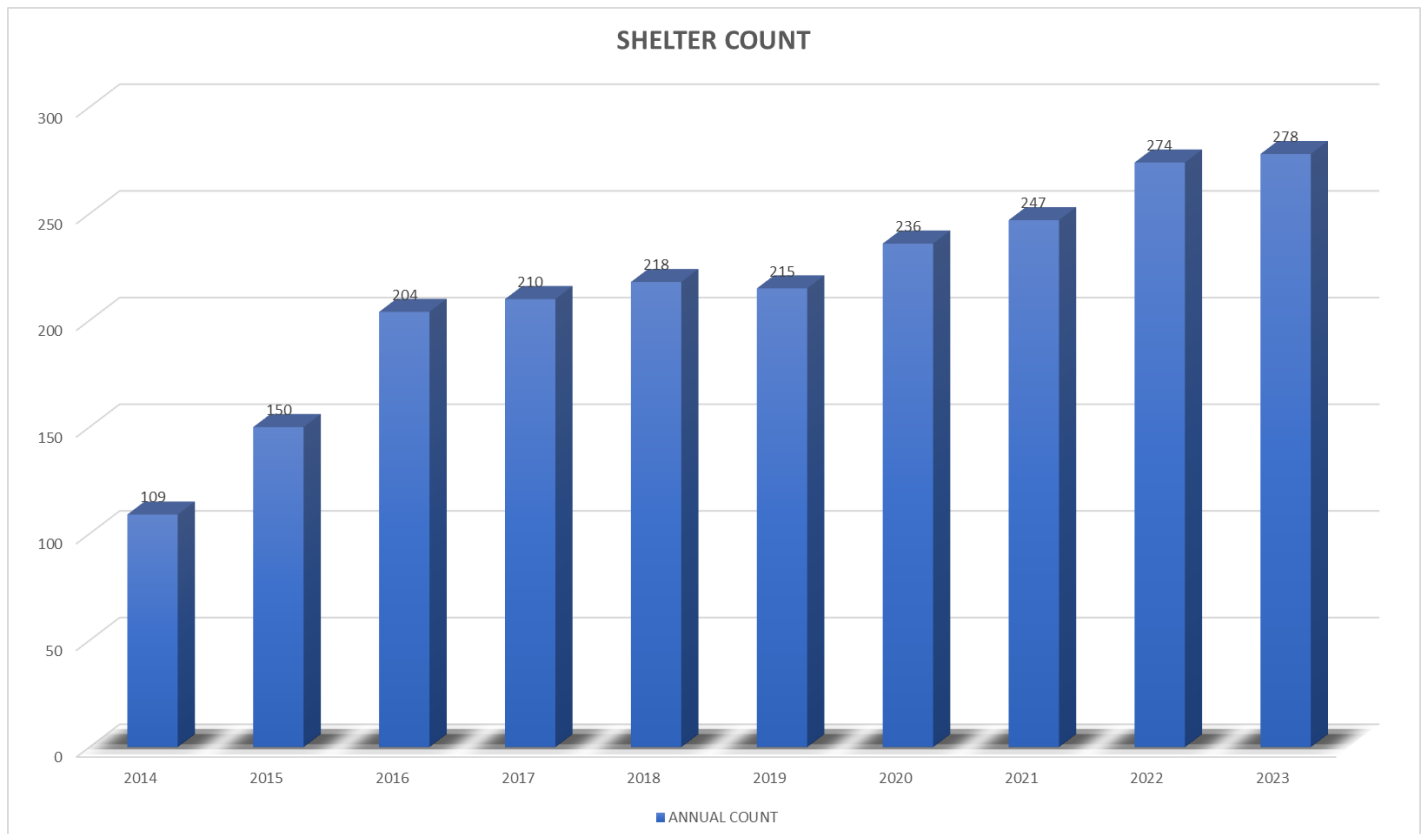
BACKGROUND:

On January 15th, 2021, the Nashville Metropolitan Transit Authority entered a contract with Tolar Manufacturing. The services and responsibilities of the contractor are to provide bus shelters, benches, and related transit stop items. Additional services include coordination on design changes or custom projects for the Engineering Development Team.

The initial term of the contract is for a three (3) year period with two (2) additional (1) year terms offered by WeGo Public Transit. The total contract value is \$2,100,000.00.

CURRENT STATUS:

Presently, our initial three (3) year contract term is scheduled to expire on January 15th, 2024. With the increase in Capital Projects, State of Good Repair replacements, and other stop enhancements, we've experienced an increase of sheltered stops by 17% since the start of 2020. Having spent \$1,471,839.00 of the first term of the contract, with \$28,161.00 contract funds remaining.



2021 Shelter Installs	
Type	Count of Shelters
New Shelter Projects	10
State of Good Repair Replacement Shelters	19
Grand Total	29

2022 Shelter Installs	
Type	Count of Shelters
New Shelter Projects	27
State of Good Repair Replacement Shelters	21
Grand Total	48

Our planned expenditures for fiscal years 2024, 2025 and 2026 total \$1,284,000.00 for shelter state of good repair replacements along the frequent transit network corridors, upgrading passenger amenities at current unsheltered stops, and continued costs associated with general repairs and maintenance. In addition, we anticipate the need to increase the current contract to compensate for the shelter expansion projects for fiscal years 2024, 2025, and 2026 totaling \$1,000,000.00.

RECOMMENDATION:

We are requesting the Board approve an increase of \$2,284,000.00 to the existing contract with Tolar Manufacturing, resulting in a new not-to-exceed contract value of \$3,784,000.00 for stop improvements through January 12th, 2026. We anticipate a new solicitation process for these services will coincide with the expiration of this contract. Funds for these projects are approved annually in the MTA Capital Improvement Program.

APPROVED:

Board Secretary

3/23/2023

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-23-008	Meeting Date:	3/23/2023
Item Title:	Insurance Broker Services Contract Award		

BACKGROUND:

Nashville MTA has utilized insurance brokerage services for many years with brokerage contracts that did not reach threshold levels in terms of contract values exceeding \$300,000 which would require board approval. In order to better control increasing insurance costs in general, the decision was made to utilize a joint RFP for brokerage services for Nashville MTA, Davidson Transit Organization, and the Regional Transit Authority requiring a fixed cost contract for brokerage services with \$0 net commission policies for all coverages for liability, property damage, workers' comp, rolling stock, director and officer plus various other insurance coverages covering all three agency's insurance needs. By requiring \$0 net commission policies, it was expected to increase broker fees due to the broker no longer having the ability to receive commissions through the insurance policies with buried commissions being paid by the customer. This would require brokers to sharpen their pencils to disclose their commission fees upfront in a fixed-price contract and compete for the business. Ultimately, this strategy is expected to reduce overall insurance costs by having fixed brokerage fees even if insurance coverage increases over time.

A solicitation was issued and advertised on January 5, 2023, on both WeGo's and Transit Talent's websites. Since many brokers do all business in-house when shopping the market for various insurance coverages, a DBE goal was not set for this solicitation. However, diversity within the organization and the diversity of who was assigned were taken into consideration. The solicitation requested proposals for a five-year contract period. Six proposals were received by the February 6, 2023, deadline and all were determined to be fully responsive. The companies responding to the solicitation were as follows:

- Chappell Smith & Associates
- Arthur J. Gallagher & Company
- Marsh Insurance
- Alliant Insurance
- Insurica Insurance Company
- Willis Tower Watson Insurance

The evaluation criteria included company experience, the qualifications and diversity of the key personnel assigned, schedule and approach, and total cost. While no DBE firms submitted a proposal, we had two of the proposers that did include DBE participation utilizing DBE subcontractors. Based upon the evaluation scoring, the committee selected Arthur J. Gallagher & Company for insurance brokerage services as the highest-scoring proposer. Gallagher also included a 5% DBE participation utilizing a sub-contractor for loss controls and boiler inspection policies.

RECOMMENDATION:

Based on the explanation above, staff requests that the Board approve the appointment of Arthur J. Gallagher as Nashville MTA's insurance broker for a five-year contract at \$110,000 per year for a cost not to exceed \$550,000 for the period starting March 23, 2023, through March 23, 2028.

APPROVED:

Board Secretary

3/23/2023

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

☐ Information Item ☒ Committee Discussion Item ☐ Committee Action Item ☐ Board Discussion Item

Item Number:	OF-D-23-002	Meeting Date:	3/23/2023
Item Title:	Vehicle Maintenance Audit for 2022		

BACKGROUND:

In November 2015, the first maintenance performance audit was conducted by the Transit Resource Center (TRC) of the WeGo Public Transit Fleet Maintenance program. This first audit in 2015 was part of an extensive evaluation where findings from that study indicated that annual audits were needed to track maintenance performance over time.

Since then, it has evolved into a phased working plan for transformation within the bus maintenance department at the Nashville Metropolitan Transit Authority (Nashville MTA). Based on the initial results from the 2015 audit, the maintenance department has initiated multiple strategies for enhancement, including manpower shifts, equipment purchases, documentation processes, and training updates.

This is the seventh maintenance performance audit conducted by the Transit Resource Center (TRC) of WeGo Public Transit. This maintenance performance audit consisted of a physical inspection of 24 vehicles (16 buses and eight vans) selected at random, and a records review and fluids analysis of eight vehicles also selected at random, the same process used during previous audits. An audit of GrayLine, a contractor to WeGo, was conducted for the second time beginning last year.

The WeGo Public Transit Fleet Maintenance program has annually renewed this independent audit practice with TRC to gain a better understanding of how we have performed over time this year.

The annual fleet assessment has been completed and we are pleased to report our annual progress results and next steps for improvement in bus maintenance.

CURRENT STATUS:

Director of Maintenance, Carl Rokos will present the 2022 Vehicle Maintenance Audit Update at the meeting. Ewell Crigger, Fleet Maintenance Manager will assist.

APPROVED:

Carl J Rokos

Director of Maintenance

3/23/2023

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-23-009	Meeting Date:	3/23/2023
Item Title:	Emergency Cutaway Vehicle Procurements		

BACKGROUND:

The agency uses small buses known as “cutaway vehicles” for Access service and service on lower ridership crosstown and community circulator bus routes. These vehicles have a typical useful life of five years. The transit asset management plan includes the annual purchase of 20 – 25 vehicles a year to maintain the cutaway fleet condition. Due to pandemic-related supply chain disruptions, the agency has not purchased new cutaway vehicles since 2019. Currently, over 80% of the fleet has exceeded its useful life.

In February 2021 the Board approved the purchase of 25 replacement vehicles from Central States Bus Sales at a per-vehicle price of \$142,907 with expected delivery by November 2021. With continuous communications regarding delays, in September 2022, the vendor notified the agency that the per-vehicle price had increased to \$235,100 and could not offer a delivery date due to a backlog of orders. After a discussion with counsel, the agency canceled the order. In July 2022, the Board approved the award of a contract for \$7,100,255 to Southern Bus and Mobility for the manufacture of 40 vehicles; the phased delivery of these vehicles is not expected to begin until mid-2024.

Given the immediate need for vehicles, a Request for Expressions of Interest (RFEI) to purchase up to 12 existing cutaway vehicles with a capacity for eight (8) ambulatory and four (4) non-ambulatory passengers (8+4 configurations) was advertised on February 21, 2023, on the agency and Transit Talent websites and emailed directly to six cutaway vehicle dealers including Forest River Industries, Tesco Bus, Carpenter Bus, Southern Bus & Mobility Solutions, Creative Bus Sales and The Bus Center.

Three sales offers were received on the March 6th due date. One offer, from The Bus Center, was for 8 vehicles that met the specifications at a per-vehicle price of \$125,000 with delivery to the agency in less than 60 days. The Bus Center, Schetky Bus and Van Sales, and Carpenter Bus offered other vehicles that did not meet the specifications or were pending manufacture. The vehicles offered by The Bus Center comply with Buy America manufacturing requirements and verification documents have been received.

Based on the limited availability of vehicles and the need to secure the 8 vehicles for purchase, an emergency procurement was declared and approved a purchase order was issued to the vendor on March 10, 2023. The staff has conducted a cost/price analysis of The Bus Center proposal. The price has been deemed fair and reasonable for similar products in the current environment.

Upon delivery, the vehicles will need to be outfitted with the agency’s wayfinding and fare collection software, which will be done by in-house personnel and software vendor Trapeze.

RECOMMENDATION:

Staff recommends that the Board provide the Chief Executive Officer’s action to authorize an emergency procurement with The Bus Center for 8 replacement cutaway vehicles at a delivered per-vehicle price of \$125,000 for a total price of \$1,000,000. Funding is currently available through grants made for this purpose by the Federal Transit Administration (FTA) under the Section 5339 rolling stock formula program, Tennessee Department of Transportation (TDOT) matching funds, and previously approved Capital Spending Plans of the Government of Metropolitan Nashville and Davidson County.

APPROVED:

Board Secretary

3/3/2023

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	NICE-D-23-001	Meeting Date:	3/23/2023
Item Title:	Discussion of Tennessee Transportation Modernization Act of 2023		

BACKGROUND:

Earlier this year, the Lee Administration proposed legislation in the form of the "Transportation Modernization Act of 2023." As of this writing, this legislation is still working its way through the legislative process in front of the Tennessee General Assembly. If adopted, it would be the most significant transportation initiative at the State Level since the passage of the IMPROVE Act in 2017. Among other provisions, it would provide for the use of public-private partnerships to develop "choice lane" facilities associated with the expansion of existing roadway capacity in congested areas. The legislation incorporates provisions to allow for the free use of these choice lanes by public transportation vehicles.

CURRENT STATUS:

The following pages contain background information on the Transportation Modernization Act of 2023 as published on the Tennessee Department of Transportation website. Deputy Governor and Tennessee Department of Transportation Commissioner Butch Eley will be in attendance at the Board's March meeting to discuss provisions of the proposed legislation and possible implications for public transit.

APPROVED:



Chief Executive Officer

3/23/2023

Date

Transportation Modernization Act

Build With Us

Background

- Tennessee's growth has far exceeded any projection developed during the 2017 IMPROVE Act and the state is falling behind on delivering the miles of road, bridges, and other mobility tools needed to continue supporting a high-quality of life for all Tennesseans. Traffic congestion is now becoming more prominent throughout Tennessee, and not just in urban areas.
- Independent congestion studies show a \$26 billion backlog of congestion related needs over and above the 2017 IMPROVE Act, with only \$500 million in annual new construction funds to address these needs.
- In addition to addressing these congestion-specific needs, TDOT continues to construct the remaining 70% of projects in the 2017 IMPROVE Act, while simultaneously developing infrastructure plans to accommodate the increased economic opportunity and population growth we've experienced in the past several years.
- The proposed Transportation Modernization Act will provide the state with innovative tools to address traffic congestion, especially in our urban areas, freeing up additional dollars to invest in our rural and suburban communities, all without raising the gas tax or taking on transportation debt.

Choice Lanes

Leveraging private-sector investment to deliver major congestion mitigation solutions

- TDOT is requesting the authority to partner with the private sector to design, build, finance, operate and maintain **new and additional** lanes on existing interstates called Choice Lanes – the state would retain ownership of the roads.
- Partnering with the private sector allows those expensive urban congestion challenges to be addressed using private-sector investment, freeing up state funds to invest in rural communities, like three-laning rural interstates.
- Drivers make a choice to use the existing lanes or pay a user fee to enter the new additional lanes for a guaranteed minimum speed. This is different from a traditional toll road where *all* drivers must pay a user fee to use a specific route. While many motorists may choose to stay in the existing lanes, they still enjoy the benefit of reduced congestion as other motorists move into the additional Choice Lanes.
- On average in P3 delivery, such as Choice Lanes, 70% of the work performed is accomplished by local contractors. This is work over and above the current road and maintenance program.

Choice Lanes Benefits

- Increases ability to invest in rural communities with new roads, repairs and bridge modernization
- Improves traffic conditions in general purpose lanes due to fewer vehicles
- Provides reliable travel speeds and trip times
- Offers enhanced transit options which are proven to increase ridership, such as Bus Rapid Transit
- Improves the quality of life as motorists spend less time in traffic
- Impacts regional economic prosperity positively

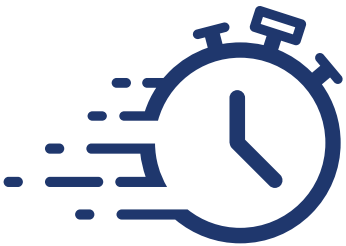
How Choice Lanes Work

- **They are not toll roads.** Drivers have the option to utilize the existing general purpose lanes where a user fee is not charged
- New lanes are constructed that require a user fee to drive in them for a reliable trip time
- Revenue generated is used to operate the Choice Lanes and help pay back the original private investment costs of building the project
- Pricing is used to control the use of the lane. Choice lanes operate around 50 mph during rush hour.

Alternative Delivery

The right tool for the right job

- TDOT is currently statutorily limited in its ability to deliver projects through alternative delivery methods that have shown to promote efficient and expedited project delivery when constructing complex roadway projects.
- Expanding TDOT's existing alternative delivery tools (including Design-Build (DB) and Construction Manager/General Contractor (CM/GC)) will put TDOT in a strong position to optimize the delivery of increasingly complex infrastructure solutions.
- To date, TDOT's alternative delivery program has seen a \$22 million cost savings and almost 70% faster delivery compared to traditional delivery.



**Expedited
Delivery**



**Design/Construction
Innovation**



**Efficient Risk
Transfer**



**Cost
Savings**

Creating Parity with Electric Vehicles

- On average, Tennessee combustion engine vehicle owners pay approximately \$274 (Source: University of Tennessee) in federal and state gas taxes each year, which goes to the state's highway fund. These funds are shared with local communities. Meanwhile, Electric Vehicle (EV) owners currently pay \$100 into that fund, which is not currently shared with local governments.
- The adoption of EVs and hybrids will continue to erode Tennessee's primary revenue source for building and maintaining our state's critical infrastructure, the gas tax. This comes at a time when the need for revenue to build and maintain roads is increasing at a rapid pace.
- There is an expectation of exponential growth in the EV/hybrid sector, with possibly upwards of 200,000 EVs in Tennessee by 2028, which creates a challenge for TDOT's ability to build and maintain transportation infrastructure. These vehicles cause just as much, if not more wear and tear to our roads as they weigh, on average, 800 pounds more than the average combustion engine vehicle (Source: EPA).
- To ensure the state can build and maintain roads, there must be parity between what the drivers of combustible engine vehicles and EVs are paying. The Transportation Modernization Act proposes sharing the EV fee with local governments just like the gas tax is shared.



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