



Nashville MTA Board Meeting

Tennessee Bankers Association

211 Athens Way | Nashville, TN 37228

June 23, 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 May 26, 2022, MTA Board Minutes
4. Public Comment
5. Operations & Finance Committee – Walter Searcy, Chair

Consent Agenda Items – Pursuant to the recent discussion, these 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 listed staff will be available for questions:

- | | | |
|--|-------------|-------|
| – Monthly Financial Report Compared to Budget – Shelly McElhaney, Controller | OF-D-22-016 | P. 6 |
| – Revolving Line of Credit Renewal – Shelly McElhaney, Controller | M-A-22-009 | P. 9 |
| – MTA/RTA Contract Renewal for State WeGo Ride Services – Shelly McElhaney, Controller | M-A-22-010 | P. 11 |
| – MTA/RTA WeGo Ride Program Revenue Sharing Agreement – Shelly McElhaney, Controller | M-A-22-011 | P. 12 |
| – MTA/RTA Management Contract Renewal – Shelly McElhaney, Controller | M-A-22-012 | P. 14 |
| – MTA/RTA Contract Renewal for Regional Transit Services – Shelly McElhaney, Controller | M-A-22-013 | P. 17 |
| – Liability Insurance Renewal – Shelly McElhaney | M-A-22-014 | P. 18 |
| – State WeGo Ride Contract Renewal – Shelly McElhaney | M-A-22-015 | P. 20 |
| – Contract for Lease & Purchase of Copiers, Printers, Scanners, and Related Maintenance Services – Rob McElhaney, Information Technology Manager | M-A-22-016 | P. 21 |
| – Monthly Operating Statistics – Andy Burke, Chief Operating Officer | OF-D-22-017 | P. 22 |
| – Upcoming Procurements Projects List | | P. 27 |

Other Committee Agenda Items

- | | | |
|--|-------------|-------|
| – Real Estate Brokerage Services – Rita Roberts-Turner, Chief Administrative Officer | M-A-22-017 | P. 28 |
| – 2021 Annual Maintenance Bus Audit – Carl Rokos, Director of Maintenance | OF-D-22-018 | P. 30 |
| – Disadvantaged Business Enterprise (DBE) Program Update – Rachel Johnson, Procurement Business Diversity Mgr. & DBE Liaison Officer | OF-D-22-019 | P. 31 |

- | | | |
|--|-------------------|--------------|
| 6. New Initiatives & Community Engagement Committee – Janet Miller, Chair | | |
| – FY2023 Proposed Operating Budget – Stephen Bland, Chief Executive Officer | M-A-22-018 | P. 33 |
| – Adoption of the FY2023-2027 Capital Investment Plan – Felix Castrodad, Director of Planning & Grants | M-A-22-019 | P. 40 |
| 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
May 26, 2022

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

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

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

Darius Knight

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

- V. **Operations & Finance Committee Report:** Committee Chair Walter Searcy introduced the following items for discussion and action:

- a. **Monthly Financial Report Compared to Budget (OF-D-22-013):** Chief Financial Officer Ed Oliphant reported and reflected on the statement of operations for March 2022 compared to the budget and a balance sheet as of March 31, 2022

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

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

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

There were no other anomalies to highlight this month.

There was no further discussion.

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

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

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

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

There was no further discussion.

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

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

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

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

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

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

There was no further discussion.

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

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

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

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

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

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

There was no further discussion at this time.

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

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

In June of 2021, the board authorized a task order for HDR Engineering, Inc. to evaluate various alternatives 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.

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

There was no further discussion at this time.

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

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

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

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

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

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

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

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

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

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

Attested:

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-22-016	Meeting Date:	06/23/2022
Item Title:	Monthly Financial Report Compared to Budget		

BACKGROUND:

Attached is a statement of operations for the month of April 2022 compared to the budget and a balance sheet as of April 30, 2022.

Actual Fare revenues continue to outperform budgeted amounts in April as ridership month over month continues to improve. I do want to bring your attention to both Labor and Fringes and Casualty and Liability expenses. As has been mentioned in previous meetings, both these categories have been impacted by either increased health claims or some recent accidents that could impact both workers' compensation claims or liability insurance claims. I am anticipating a possible impact on our reserves for all three areas. I am working with our insurance brokers, third-party administrators, and our actuaries to determine what increase may be looming and will report back to the Board once more definitive information is confirmed.

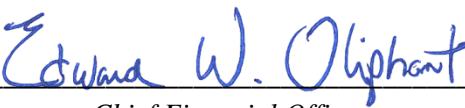
As of February 28, 2022, RTA owed Nashville MTA approximately \$237,000 for services provided to and from Rutherford County as well as management fees due. MTA also had accounts payable to RTA of approximately \$33,000 for fares collected as well as WeGoRide revenue sharing due.

There are no other anomalies to highlight this month.

CURRENT STATUS:

Controller Shelly McElhaney will be available to answer questions at the committee meeting.

APPROVED:


Edward W. Oiphant
Chief Financial Officer

June 17, 2022

Date

Metropolitan Transit Authority
Statement of Operations Compared to Budget
For the Period Ending April 30, 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	\$512,665	\$367,400	\$145,265	F	\$2,990,744	\$5,018,913	\$3,342,700	\$1,676,213	F	\$4,049,030
Access Ride	39,712	65,140	(25,428)	U	424,424	560,198	423,880	136,318	F	513,250
Contract Revenues	216,143	303,015	(86,872)	U	1,366,362	2,038,749	2,442,665	(403,916)	U	3,081,550
Advertising	47,054	34,670	12,384	F	497,391	581,527	440,090	141,437	F	502,070
Other Non-Trans Revenue	91,298	110,405	(19,107)	U	330,863	999,833	1,107,430	(107,597)	U	1,336,065
Total Operating Revenue	906,872	880,630	26,242	F	5,609,784	9,199,220	7,756,765	1,442,455	F	9,481,965
Federal/State/Local Income:										
Local Assistance	4,335,900	0	4,335,900	F	27,315,700	51,835,900	51,835,900	0	F	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	19,105	903,315	(884,210)	U	26,227,891	415,078	1,811,505	(1,396,427)	U	3,618,135
Total Assistance Income	4,355,005	903,315	3,451,690	F	58,642,191	57,421,178	58,746,015	(1,324,837)	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	7,660,550	0	0	0	F	0
Capital ADA Reimbursement	0	0	0	F	2,625,000	0	0	0	F	0
Total Capital Income	0	0	0	F	10,285,550	14,000,000	14,000,000	0	F	23,303,190
Total Revenue	\$5,261,877	\$1,783,945	\$3,477,932	F	\$74,537,525	\$80,620,398	\$80,502,780	\$117,618	F	\$93,337,800
Expenses from Operations:										
Labor and Fringes	\$5,988,596	\$5,811,910	(\$176,686)	U	\$54,101,998	\$57,696,744	\$57,138,534	(\$558,210)	U	\$68,869,115
Services	934,930	951,165	16,235	F	7,456,012	8,503,008	9,223,900	720,892	F	11,129,395
Fuel	252,466	262,795	10,329	F	2,614,284	2,102,563	2,640,290	537,727	F	3,178,400
Parts, Materials and Supplies	512,992	482,635	(30,357)	U	4,216,330	4,336,777	4,847,305	510,528	F	5,832,870
Utilities	109,633	116,680	7,047	F	987,507	1,139,302	1,171,825	32,523	F	1,410,220
Casualty and Liability	343,754	190,530	(153,224)	U	1,888,545	1,990,841	1,945,590	(45,251)	U	2,318,600
Other	44,389	42,520	(1,869)	U	208,812	311,895	512,795	200,900	F	599,200
Total Operating Expenses	8,186,760	7,858,235	(328,525)	U	71,473,488	76,081,130	77,480,239	1,399,109	F	93,337,800
Surplus / (Deficit) before GASB 33	(\$2,924,883)	(\$6,074,290)	\$3,149,407	F	\$3,064,037	\$4,539,268	\$3,022,541	\$1,516,727	F	\$0
Capital Grant Revenue	1,119,930		1,119,930	F	22,561,462	6,474,237		6,474,237	F	
Capital Grant Revenue -CARES Act	93,333		93,333	F	46,636	617,550		617,550	F	
Rental income - MCC Amortization	49,167		49,167	F	491,670	491,670		491,670	F	
Gain/(Loss) on Sale of Property	0		0	F	(111,802)	0		0	F	
Depreciation	(1,890,690)		(1,890,690)	U	(16,884,160)	(19,711,128)		(19,711,128)	U	0
Surplus / (Deficit)	(\$3,553,143)	(\$6,074,290)	\$2,521,147	F	\$9,167,843	(\$7,588,403)	\$3,022,541	(\$10,610,944)	U	\$0

Metropolitan Transit Authority

Comparative Balance Sheets

	Month Ended April 30, 2022 (unaudited)	Month Ended June 30, 2021 (Audited)			
CURRENT ASSETS					
Cash and cash equivalents	\$8,941,937	\$5,291,154			
Receivables from federal, state and local government	394,254	4,232,776			
Accounts receivable	1,267,234	746,944			
Materials and supplies	3,496,448	2,982,464			
Prepaid expense and other	1,569,523	1,420,871			
Pension & OPEB Deferred Outflow	29,001,549	29,001,549			
Total Current Assets	<u>44,670,945</u>	<u>43,675,758</u>			
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	6,375,104	6,145,705			
Other	15,086,467	8,729,214			
Less: Accumulated Depreciation	(185,939,704)	(166,287,998)			
Total Property and equipment, net	<u>154,413,013</u>	<u>167,024,167</u>			
OTHER ASSETS					
Cash and investments for self-insurance and other	<u>731,604</u>	<u>350,000</u>			
TOTAL ASSETS	<u>\$199,815,562</u>	<u>\$211,049,925</u>			
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable	\$2,724,650	\$1,929,138			
Accrued expenses	6,856,590	7,718,662			
Deferred revenue	81,264	57,547			
Note Payable	0	3,000,000			
Total Current Liabilities	<u>9,662,504</u>	<u>12,705,347</u>			
NON-CURRENT LIABILITIES					
Deferred Revenue	6,295,779	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	148,117,234	157,236,718			
Reserve for capital purchases	0	0			
Unrestricted	(79,484,603)	(81,038,246)			
Current Year Surplus / (deficit)	(7,588,403)	(7,072,790)			
Total Net Assets	<u>61,044,228</u>	<u>69,125,682</u>			
TOTAL LIABILITIES AND NET ASSETS	<u>\$199,815,562</u>	<u>\$211,049,925</u>			
	Current	> 30 days	> 60 Days	> 90 days	Total
Accounts Receivable	\$1,199,794	\$28,525	\$21,430	\$17,485	\$1,267,234
	94.7%	2.3%	1.7%	1.4%	100.0%
Accounts Payable	\$2,337,352	\$316,065	\$33,462	\$37,771	\$2,724,650
	85.8%	11.6%	1.2%	1.4%	100.0%

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-000	Meeting Date:	06/23/2022
Item Title:	Revolving Line of Credit Renewal		

BACKGROUND:

The Nashville Metropolitan Transit Authority (Nashville MTA) typically needs temporary operating fund assistance due to annual delays in receiving our Section 5307 formula capital grant funding. Historically, Nashville MTA converts a portion of the capital grant funding appropriation from capital to operating to pay preventive maintenance and paratransit operating costs. As you know, for FY2022 and FY2023 budget years, the Board approved using the American Rescue Plan funding as a substitute for federal 5307 to be used for preventive maintenance and paratransit expenses and allow the federal 5307 to be used on other capital projects in our capital plan. However, staff thought it prudent to maintain the line of credit to allow flexibility to have funds available to cover any unforeseen grant funding shortfalls or timing issues that could occur during the fiscal year. Currently, through Metro Nashville's Budget Ordinance and MTA Board approval, MTA is authorized to borrow up to \$20.0 million through Fifth Third Bank. The Fifth Third credit facility has a term of one year and expires June 30, 2022.

The interest rate under any new line of credit will be changing from past agreements. Historically, the banking industry has used the LIBOR rate as the basis for charging interest. However, regulatory bodies in the United States and abroad decided that based on diminishing use of interbank funding transactions that underpinned LIBOR and the concern that this made LIBOR less market-based and an increasingly more subjective rate that could be susceptible to manipulation, LIBOR would be phased out in favor of indexes that would be more regulated or with a greater market support such as the Prime rate and SOFR (Secured Overnight Funding Rate). The Federal Reserve's created agency, the Alternative Reference Rates Committee (ARRC), directed all banks that LIBOR cessation would occur no later than June 30, 2023, and that no new loan origination would use that index after December 31, 2021. Consequently, MTA's renewal must go through the conversion process from LIBOR to an alternative rate. The Prime rate is a lagging indicator of interest rates and only changes when the Federal Reserve (Fed) adjusts interest rates while SOFR is a leading indicator in that it bakes in anticipated rate changes before Fed adjustments. Since we are in an environment of increasing interest rates by the Fed due to inflationary pressures, the new line of credit will be based upon Prime minus 1.35% and the same non-use fee of 0.2%. These expenses have been included in the proposed annual budget for FY2023.

We will again be using a tiered method setting up the initial line of credit at \$10 million with the ability, at management's discretion, to borrow up to \$20 million if necessary. We use this tier method to avoid excessive non-use fees on the authorized line amount. The line allows for increases in \$500,000 increments for a \$100 fee should management need to increase the authorized line. The proposed budget ordinance that Metro Council should pass for the FY2023 budget again authorizes the Nashville MTA to obtain short-term financing in an amount not to exceed \$20 million and the term of the loan cannot go beyond June 30, 2023.

RECOMMENDATION:

Based on this explanation, staff is requesting that the Board give the CEO the authority to enter into a new one-year line of credit with Fifth Third Bank for the period of July 1, 2022 through June 30, 2023. The line of credit will start at a first tier of \$10 million with a not to exceed of \$20 million. The interest rate as explained will be

PRIME minus 1.35% and a non-use fee of 0.2%. The line of credit is to be used as needed and to be repaid as grant funding is received. This will allow Nashville MTA to continue operating and allow time for the grant monies to be received.

APPROVED:

Board Secretary

June 23, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-010	Meeting Date:	06/23/2022
Item Title:	MTA/RTA Contract Renewal for State WeGo Ride Services		

BACKGROUND:

The Regional Transportation Authority of Middle Tennessee (RTA) and the Nashville Metropolitan Transit Authority (Nashville MTA) have established a positive working relationship over the years on a regional WeGo Ride program involving the State of Tennessee.

For several years, the Nashville MTA along with the RTA has participated in the WeGo Ride program with the State of Tennessee where both agencies provide transit rides to State employees, and the State reimburses both the Nashville MTA and RTA on a cost-per-ride basis. The Nashville MTA has been the principle in this contract with the State of Tennessee and RTA's portion of the rides provided is passed through via a separate agreement with the Nashville MTA. The State has agreed to a new contract with the Nashville MTA for the WeGo Ride Program for July 1, 2022, through June 30, 2023, at a cost per ride set at a weighted average of \$2.50 per ride. New to the contract this year is the State's ability to sign up for vanpool services through RTA's third-party contractor, The TMA Group, which manages all of RTA's van pooling services. The cost per ride per month for these services is set at \$65 per month per rider. The total contract between Nashville MTA and the State is set at a not-to-exceed amount of \$1.75 million.

An analysis of state employee ridership for both the Nashville MTA and RTA services is usually performed to confirm the cost per ride passed through to RTA. However, due to the severe drop in ridership, an updated analysis would not accurately reflect the pass-through pricing. Consequently, we are recommending that the effective rate of \$3.15 per ride which has been consistent over the last several years should be maintained for FY2023. The higher rate being passed through to RTA from the Nashville MTA has merit since RTA's fares for regional bus service and train service are proportionately higher than the Nashville MTA's base fares. With the addition of vanpool services, the \$65 rate per passenger per month will also be passed through to RTA.

STAFF RECOMMENDATION:

Based upon the explanation above, staff requests that the Board approve Nashville MTA entering into a contract with the RTA that calls for the Nashville MTA to reimburse RTA for WeGo Ride trips provided to State employees participating in the WeGo Ride program at a rate of \$3.15 per ride for regional bus rides and \$65 per passenger per month that utilizes vanpool services. The contract period will be for one year, beginning July 1, 2022, through June 30, 2023.

APPROVED:

Board Secretary

June 23, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-011	Meeting Date:	06/23/2022
Item Title:	MTA/RTA WeGo Ride Program Revenue Sharing Agreement		

BACKGROUND:

In June 2020, the Board approved for the first time, a WeGo Ride Program Revenue Sharing Agreement with the Regional Transportation Authority of Middle Tennessee (RTA) for the new WeGo Ride Program. The WeGo Ride Program is an employer-paid transit pass program to provide employee commuter benefits on Nashville MTA and RTA services in Middle Tennessee under the name WeGo Public Transit. FY2021 was the first year for the new pilot EasyRide program to reach out to new companies to promote employer-paid transportation for their employees. To remind the Board, the following are the objectives of the program:

- All: Simplify program transportation benefits;
- All: Simplify program administration;
- All: Simplify program fee structure to better predict costs and revenues for annual budgeting;
- MTA/RTA: Protect existing program revenue;
- MTA/RTA: Grow program participation to increase overall ridership and operating revenue;
- MTA/RTA: Increase transparency between the two agencies on program revenue and ridership;
- Business Partners: Manage and reduce both direct and indirect transportation costs;
- Business Partners: Provide sustainable and competitive employee benefits.

Current and potential business partners continue to express a strong preference for a consolidated pass program – one in which their employees could utilize a single pass for both Nashville MTA and RTA services. Under the Revenue Sharing Agreement, Nashville MTA is the master contractor under the program with revenue splits between the Nashville MTA and RTA that fairly compensates both agencies relative to the overall use of the program.

The revenues collected from business partners of the pilot WeGo Ride Program are assigned to each agency based on a formula that weights average fare (which will skew toward the RTA due to a higher fare structure) and ridership (which will skew toward MTA due to generally higher rates of usage) equally. The annual "conflict of interest review" that is discussed annually includes a review of how revenue assignment was calculated for the preceding period with testing of these calculations incorporated into both agencies' external audit scope.

While the program only had 3 customers in the initial first year through June 30, 2021, the program has picked up some momentum with more than 15 businesses currently using the program. The revenue split calculation for the program will be done at the end of June once all ridership for both agencies has occurred. It is the staff's intent to continue and promote this program which will require a renewal of this agreement since it is due to expire on June 30, 2022.

RECOMMENDATION:

Staff is requesting that the Board approve the renewal of the WeGo Ride Program Revenue Sharing Agreement with RTA for the period of July 1, 2022, through June 30, 2023, based upon the formula explained above and that Nashville MTA will continue to be the Master Contractor for the EasyRide Program and will share revenues with RTA based upon the calculated formula. Each Board will review the agreement on an annual basis to assess if any changes should be made to the Agreement going forward.

APPROVED:

Board Secretary

June 23, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-012	Meeting Date:	06/23/2022
Item Title:	MTA/RTA Management Contract Renewal		

BACKGROUND:

Nashville MTA is currently operating under a management contract with the Regional Transportation Authority of Middle Tennessee (RTA) in which MTA provides management services overseeing all operations of the RTA. The current contract was approved by the Board in 2021 for five years with an expiration of June 30, 2026. The current annual contract value is \$844,056 which became effective July 1, 2021. MTA has proposed a 2% increase for a total annual contract of \$860,940 which has been included in the proposed FY2023 budget. The contract terms include a provision that allows the compensation to be adjusted beginning July 1, 2022, and each year thereafter for the life of the contract by mutual agreement of both parties. The contract states that "MTA Staff will provide executive leadership and administrative support for the RTA to carry out Financial Duties and Administrative Duties as provided herein, which shall include but not be limited to, operations, maintenance and acquisition of properties, finances, facilities and equipment, and the employment of personnel, or contracting for services, and the execution and implementation of RTAMT powers and duties set forth in Tennessee Code Annotated §§64-8-101 et. Seq and 64-8-201, et. Seq. all of which MTA is authorized to undertake and accomplish."

The contract value has historically been adjusted 2% to 3% every two years to account for wage and inflationary increases absorbed by MTA since MTA does not charge RTA for any separate overhead expenses such as office space, utilities, materials, supplies, etc.

The following list, while not exhaustive, gives a good representation of what functions and tasks are being performed for RTA.

Customer Relations

- Call center for customer inquiries
- Customer counter ticket sales
- Bulk ticket sales online and phone orders
- Manage Emergency Ride Home Program
- Management of consignment sales
- Printing and distribution of route schedules
- Management of State Easy ride card program
- Maintain phone systems for call center

Facilities and Development/Engineering

- Use of bus bays downtown for regional buses
- Provide office space, office equipment, and computer network support
- Maintenance of train stations
- Maintain Park & Ride lots
- Construction management for Hamilton Springs
- Leasing of stations for special events
- Acquire property for stations and park & ride lots
- Mt Juliet Station parking lot expansion

Financial

- Annual Financial Audit Report
- Monthly financial statements compared to budget
- Develop annual operating budgets
- Management of Regional partner bus reserves
- Accounts payable
- Cash management
- Negotiations for banking line of credit
- Regular banking relationships
- Maintain accounting general ledgers
- Collect and account for fare collection
- Invoicing and collection of ticket sales
- Required annual reporting to various government agencies
- Manage and complete audit finding action plans

- to avoid repeat findings
- Monitor and spot check train parts inventory

- Surprise audits for train tickets sold on the train
- State Comptroller Audits

Planning, Grants, and Scheduling

- Monitor and manage the Transportation Improvement Plan (TIP)
- Grant Applications
- Grant revisions and amendments
- Grant compliance
- Quarterly grant reporting to FTA
- Quarterly meetings with FTA for rail oversight
- Public Hearings on schedule or fare changes
- Service planning for regional bus service
- Management and monitoring of all routes for schedule adherence
- Route adjustments due to change in Park & Ride lot locations
- Title VI plan, compliance, and monitoring

- Develop FTA required Transit Asset Management Plan
- Searching for new park & ride locations
- Represent RTA in MPO Technical Coordinating Committee meetings
- Coordinate and work with MPO and regional partners on annual federal funding allocations
- National Transit Database (NTD) monthly and annual reporting to FTA
- Meet with businesses, municipalities, and stakeholders regarding service requests
- Conduct regional studies – Northwest Corridor, Regional Park & Ride, Regional Strategic Plan (nMotion)

Operations and Safety

- Manage and monitor Gray Line buses
- Manage and monitor commuter rail services
- Manage third-party quality control contractor
- Maintain fare box and ticket vending machines
- Have supervisors at Riverfront schedule adherence to train and address customer questions
- Have Supervisors at downtown intermodal for schedule adherence and answer customer questions
- Provide all radio communications
- Federal Rail audits
- State track inspection audits

- Procure annual insurance policies for liability, property damage, and director and officer's
- Coordinate with a third-party administrator for any accidents or injuries
- Reconcile month regional bus invoices to scheduled service and charge liquidated damage for schedule adherence failures
- Manage security at Riverfront Station and our downtown transfer facility
- Inspect 3rd party vehicles and rail equipment vehicles and review maintenance records

Marketing

- Website development and management
- Create Route schedules
- Manage and promote special events
- Manage to advertise
- Production of brochures and system maps

- Social media
- Public information
- Media relations
- Public records requests
- Marketing promotions

Executive

- Interaction with regional mayors
- Budget presentations to Nashville Mayor and Metro Council
- Public hearings
- Develop and manage capital budgets
- Capital project oversight
- Short-term and long-term planning
- Quarterly Nashville & Eastern Rail Authority Board meetings
- Cheatham County Rail Authority Planning
- Donelson Transit-Oriented-Development discussion

While this is not a completely exhaustive list of duties and responsibilities, it demonstrates the value RTA receives for the management services provided by MTA staff.

RECOMMENDATION:

Based upon the explanation above, we request that the Board approve the new amount for the contract for MTA to manage and oversee all operations of the RTA at an annual cost of \$860,940, or \$71,745 per month. The contract price shall become effective July 1, 2022, and terminate June 30, 2026.

APPROVED:

Board Secretary

June 23, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-013	Meeting Date:	06/23/2022
Item Title:	MTA/RTA Contract Renewal for Regional Transit Services		

BACKGROUND:

A positive working relationship has been established for many years between the Regional Transportation Authority of Middle Tennessee (RTA) and the Nashville Metropolitan Transit Authority (Nashville MTA) on regional transit programs.

Each year, the RTA contracts with the Nashville MTA for regional transit services for Davidson/Rutherford County Relax & Ride services to Murfreesboro, Tennessee, as well as connecting bus services to support the commuter train service for the WeGo Star in Nashville, Tennessee. The RTA desires to renew these contracts for the period of July 1, 2022, through June 30, 2023. Since there are different funding sources for the regional bus services and the connecting bus services, two separate contracts are required.

Contract 1 – Under the new contract for the regional bus service between Davidson and Rutherford Counties (Routes 84X and 86X), the RTA will pay the Nashville MTA for up to 53.57 hours of daily service at a rate of \$116.98 per hour, or an amount not to exceed \$1,591,725, covering 254 days of weekday transit service contained in the contract. The \$116.98 represents a 3.0% increase in the contract price compared to the prior year.

Contract 2 – Under the new contract for connecting bus services for Davidson County (Routes 64 and 93), the RTA will pay the Nashville MTA up to 11.11 hours of daily service at a rate of \$116.98 per hour, or \$330,110, covering the 254 days of weekday transit service contained in the contract. The \$116.98 represents a 3.0% increase in the contract price compared to the prior year.

A fuel escalator clause will again be included in all the new contracts to protect the Nashville MTA should the average fuel prices escalate above \$3.25 per gallon. The clause stipulates that for every 25-cent increase in the monthly average per-gallon cost of fuel, the hourly rate will increase by \$1.50 per hour for that month and going forward. This will cover the Nashville MTA's increase in operating costs due to increased fuel costs. This escalator is above and beyond the contracted amounts mentioned above. This could be a factor for RTA based on the current volatility we are seeing in fuel costs. Nashville MTA has hedged approximately 80% of projected diesel fuel consumption at \$2.64 per gallon to achieve an average price including the unhedged consumption of approximately \$3.12 per gallon.

RECOMMENDATION:

Staff requests that the Board approve the renewal of contracts with RTA consisting of Contract 1 for regional bus services and Contract 2 for connecting bus services supporting commuter rail. Both of these contracts are for a period of one year beginning July 1, 2022, through June 30, 2023, for the following base amounts:

Contract #1 for a not-to-exceed amount of \$1,591,725 for regional bus service;
and Contract #2 for \$330,110 for connecting buses supporting commuter rail.

APPROVED:

Board Secretary

June 23, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-014	Meeting Date:	06/23/2022
Item Title:	Liability Insurance Renewal		

BACKGROUND:

Every year, our WeGo Public Transit (WeGo) insurance broker shops the insurance market for the renewal of the Nashville MTA's \$3 million liability policy with a \$100,000 deductible per occurrence. Inquiries were made to fifteen different insurance companies as well as the incumbent for the upcoming policy year effective July 1, 2022, through June 30, 2023. One challenge this year is that going into the quotes, we were facing an industry-wide increase in rates of 10% - 15% as a result of larger claim payouts over the last several years as an industry. We saw a large increase last year as well with only two companies with competitive quotes with others saying their quotes would not have been competitive and they would not submit quotes.

In addition to the industry-wide increases, Over the last 3 years, MTA has seen five large claim payouts due to injuries sustained by passengers on our vehicles or individuals involved in car accidents and, unfortunately, the fatality where a pedestrian was hit. While accidents do happen, underwriters typically look at large claims over a three-year history and underwriters take those into account when setting premium quotes. While they will not assign a value to those loss runs in the premium quotes, it is most certainly impacting our premiums.

The results from this year's bids are very similar. Ten companies did not provide quotes due to a lack of interest in our fleet make-up or do not quote on municipal fleets. Three companies thought they might be competitive, but wanted all claims handled in-house. We currently have a third-party contract with Brentwood Services which handles all liability and workman's comp claims and we have a very good working relationship with them. Several years ago, we selected an insurance company due to their quote being the best that required the insurance company to handle the claims. We had so many difficulties with their claims department and timeliness of closeouts, we moved back to RLI the next year. One company replied that they could not compete with our current quoted prices, but also wanted a higher deductible of \$500,000 per claim. We did receive a quote from Carolina Casualty for liability only with the same \$100,000 deductible and the annual premium was north of \$1.6 million.

The only other quote received meeting our scope was from our current insurance company, *RLI Insurance* (RLI), offering coverage with a \$3 million limit and a \$100,000 deductible per occurrence. The per vehicle type annual rates for liability coverage compared to our current policy are as follows:

<u>Liability Coverage</u>	<u>Current (2021-22)</u>	<u>RLI (2022-23)</u>
Transit Bus	\$5,245	\$6,949
Transit Van	\$3,671	\$4,865
Service Vehicle	\$2,589	\$3,427

The comparison below of total premiums incurred is based on the number of vehicles expected to be on hand July 1, 2022 by type of vehicle as quoted above:

<u>Liability Coverage</u>	<u>Current (2021-22)</u>	<u>Proposed RLI (2022-23)</u>
Premiums	\$1,314,000	\$1,593,227

This represents a 21.2% increase compared to a 20.7% increase the last year. The premium will vary slightly depending on the number of vehicles and vehicle types WeGo may have in the fleet at any given time.

RECOMMENDATION:

Based on the explanation above, staff requests that the Board authorize the Chief Executive Officer to enter into a contract with RLI Insurance for our liability coverage for the period effective July 1, 2022, to June 30, 2023, for \$3 million in coverage with a \$100,000 deductible for a premium of approximately \$1,593,227.

APPROVED:

Board Secretary

June 23, 2022

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-015	Meeting Date:	06/23/2022
Item Title:	State WeGo Ride Contract Renewal		

BACKGROUND:

In 2006, the Nashville Metropolitan Transit Authority (Nashville MTA) and the State of Tennessee began a program for their employees in which the State would pay the work commute transportation cost for all their employees who utilize public transportation. While we have seen some decline in ridership over the last several years in general and specifically due to the pandemic, the Tennessee Department of Transportation (TDOT) would like to renew the contract as the program continues to work well in helping the State with its employee parking issues and supplying WeGo Public Transit (WeGo) and the Regional Transportation Authority of Middle Tennessee (RTA) with additional ridership. The current \$1.75 million contract managed by TDOT is scheduled to expire on June 30, 2021.

We have successfully negotiated with the State to continue the contract for FY2023 at the same rate per ride of \$2.50 based upon all regional transportation services including both WeGo and RTA. WeGo Access trips will be billed at \$3.70 per ride. New to the contract this year is the State's ability to sign up for vanpool services through RTA's third-party contractor, The TMA Group, which manages all of RTA's van pooling services. The cost per ride per month for these services is set at \$65 per month per rider which will be a pass-through to RTA. The contract will be between the Nashville MTA and TDOT with the RTA receiving its proportional share for rides provided under the program as defined in a separate sub-agreement between the Nashville MTA and RTA. The total contract amount will remain at \$1.75 million. The contract term is for 12 months beginning July 1, 2022, with an expiration of June 30, 2023.

RECOMMENDATION:

We are asking the Board for their approval for the Nashville MTA to enter into a contract with TDOT for the EasyRide program at \$2.50 per ride, \$3.70 for WeGo Access per ride, and \$65 per month per rider on the vanpool services with a contract amount of \$1.75 million and a contract term of July 1, 2022, through June 30, 2023.

APPROVED:

June 23, 2022

Board Secretary

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-016	Meeting Date:	06/23/2022
Item Title:	Contract for Lease and Purchase of Copiers, Printers, Scanners, and Related Maintenance Services - NovaTech		

BACKGROUND:

In 2017, following a competitive request for proposals solicitation, the agency awarded a \$295,000, five-year base term, with one five-year extension, contract to NovaCopy, Inc. to provide copiers, printers, and scanners at the Myatt, Nestor, and WeGo Central facilities, and to provide related maintenance and repair service. The base term of the contract expires on July 31, 2022.

The contract includes pricing for equipment purchase or lease based on usage volume. Annual costs for the agency's 55 printer/copiers, including printing, supplies, maintenance, and repairs average \$48,000 a year. The contract has a remaining balance of \$14,276. State of Good Repair copier replacement costs is projected to total \$75,000 over the next five years based on copy volume and/or replacement parts availability.

The agency seeks to exercise the five-year extension option for a new contract end date of July 31, 2027, and increase the value of the contract by \$315,000 to cover annual maintenance costs and equipment replacements. Exercising the option at this time is preferable to conducting a new procurement because the vendor has agreed to hold its pricing for the option years the same as in the base contract.

In April 2018, NovaCopy rebranded to NovaTech to better reflect the company's strategic plan of being a Managed IT and Print Service provider.

RECOMMENDATION:

We request the Board to provide the Chief Executive Officer the authority to exercise the contract's five-year extension option and to increase the contract's maximum value to \$610,000. These expenses are funded through a combination of Federal, State, and Local sources. Annual printing, supplies, maintenance, service, and repair expenses are part of the annually approved operating budget, and replacement costs to meet State of Good Repair needs will be included in the MTA Capital Plan.

APPROVED:

Board Secretary

June 23, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Committee Discussion Item

Committee Action Item

Board Discussion Item

Item Number:	OF-D-22-017	Meeting Date:	06/23/2022
Item Title:	Monthly Operating Statistics		

BACKGROUND:

Attached are monthly operating statistics through April 2022. A number of service changes and additions went into effect this month, including enhanced evening frequencies on major corridors as well as improvements to peak frequencies on many local routes. In addition, the new route 79 Skyline was introduced connecting the Madison area on Gallatin Pike to Dickerson Pike. In all, service levels are 16% higher than the same month last year, while ridership has increased more than 40% over the same time period.

With these service additions came increases in both the vehicles and operators required to deliver service. We are asking as much of our operators as we can in terms of working hours, and even with all available overtime, there have been instances where we have struggled to staff all work. This has resulted in an increase in missed service, though overall missed service levels are still above goal. Operator and maintenance technician recruitment and retention are top areas of focus for staff, with additional tactics being explored beyond those already implemented, such as increased starting pay, compressed step increases in wage progression, and removing the requirement that applicants already hold a CDL Permit.

Of concern, we have seen an increase in accidents this month and year-to-date, including an increase in preventable accidents. To some extent, the shifts in these metrics reflect “the law of small numbers.” One or two accidents can make for a large swing in the metric. Most of the accidents were relatively minor in nature, and reflected “clearance” issues (ie: objects struck in very tight spaces). To some extent, this is being driven by the increasing volume of traffic and activity in congested parts of the city like Downtown. Another factor has been the rapid infusion of new employees into our workforce. Of the 7 preventable accidents in April, 5 occurred among Operators with less than 5 years of experience. As part of the Safety Management System Plan, this trend has led us to examine (1) specific underlying conditions preceding the accidents (location, congestion, stop/route configuration, etc.) to determine if there are common threads that we can address from a system perspective and (2) revised methods of conducting training of new operators with respect to operating in very tight spaces.

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

June 17, 2022

Date

Operations Dashboard Report

April 2022	April 2021	Pct. Change	Average Monthly Goals
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Ridership

Total Passengers			
Bus	554,171	383,321	44.6%
Access (WeGo)	19,811	16,208	22.2%
Access (Overflow/Taxi)	4,314	4,352	-0.9%
Access-on-Demand *	3,021	3,178	-4.9%
Access Total	27,146	23,738	14.4%
Total	581,317	407,059	42.8%
Percentage of Pre-Pandemic Ridership	69.2%	47.9%	21.3%
			785,000

Passengers per Revenue Hour

Passenger per Revenue Hour				
Bus	13.42	10.94	22.7%	18
Access	1.73	1.57	10.2%	2.1
Total Scheduled Revenue Hours	52,751	45,400	16.2%	
Total Cost Per Scheduled Revenue Hour of Service	\$147.22	\$158.14	-6.9%	

Safety

Safety				
Miles Between Total Accidents	27,352	31,995	-14.5%	36,000
Miles Between Preventable Accidents	97,686	287,958	-66.1%	300,000
Preventable Accidents	7	2	250.0%	
Non-Preventable Accidents	18	16	12.5%	
Total Accidents	25	18	38.9%	

Service Quality

Service Quality				
Bus Trip Completion Percentage	99.65%	99.97%	-0.31%	99.50%
Access Trip Denials	0	0	0.0%	0
Miles Between Road Calls	7,274	3,999	81.9%	3,800

On-Time Performance

On-Time Performance				
Bus	85.8%	90.4%	-4.6%	85.0%
Access (WeGo)	91.1%	93.7%	-2.6%	89.0%
Access (Overflow/Taxi)	97.8%	96.8%	1.0%	89.0%
Access Total	92.4%	94.4%	-2.0%	89.0%

Customer Care

Customer Care				
Passengers Carried Per Complaint				
Bus	4,045	4,167	-2.9%	6,000
Access	372	383	-2.9%	600
Total Calls Received	21,332	18,167	17.4%	
Percent of Calls Answered	94.8%	96.5%	-1.7%	95.0%

* "Access on Demand service began March 2018"

Operations Dashboard Report

FY2022
April

FY2021
April

Pct. Change

Average
Monthly
Goals

Ridership

Total Passengers
Bus
Access (WeGo)
Access (Overflow/Taxi)
Access-on-Demand *
Access Total
Total
Percentage of Pre-Pandemic Ridership

4,898,644
183,319
40,456
26,927
250,702
5,149,346
63.0%

3,370,152
138,666
36,138
29,946
204,750
3,574,902
43.4%

45.4%
32.2%
11.9%
-10.1%
22.4%
44.0%
19.7%

7,850,000

Passengers per Revenue Hour

Bus
Access
Total Scheduled Revenue Hours
Total Cost Per Scheduled Revenue Hour of Service

12.81
1.67
491,934
\$137.09
\$161.21

10.57
1.50
411,328

21.2%
11.3%
19.6%

18
2.1

Safety

Miles Between Total Accidents
Miles Between Preventable Accidents
Preventable Accidents
Non-Preventable Accidents
Total Accidents

36,746
203,883
31
141
172

47,022
431,031
12
98
110

-21.9%
-52.7%
158.3%
43.9%
56.4%

36,000
300,000

Service Quality

Bus Trip Completion Percentage
Access Trip Denials
Miles Between Road Calls

99.6%
0
6,688

98.9%
0
4,750

0.6%
0.0%
40.8%

99.5%
0
3,800

On-Time Performance

Bus
Access (WeGo)
Access (Overflow/Taxi)
Access Total

87.9%
91.8%
97.8%
93.0%

90.5%
93.4%
97.5%
94.3%

-2.5%
-1.6%
0.4%
-1.3%

85.0%
89.0%
89.0%
89.0%

Customer Care

Passengers Carried Per Complaint

Bus
Access

4,212
417

3,384
464

24.5%
-10.2%

6,000
600

Total Calls Received

Percent of Calls Answered

195,114
95.0%

152,244
96.6%

28.2%
-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

List of upcoming procurement projects

Meeting Date: 06/23/2022

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: 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: June 2022
- Estimated Total Project Value: \$450,000 - \$600,000

Project Name: Strategic Fuel Sourcing

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

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:

A handwritten signature in blue ink that reads "Julie Roberts - I".

Chief Administrative Officer

June 17, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-017	Meeting Date:	06/23/2022
Item Title:	Real Estate Brokerage Services		

BACKGROUND:

The nMotion strategic service plan identified a critical need for new bus stop improvements, transit centers, and park and ride lots to expand and improve service. To facilitate the ability to identify available and suitable properties for lease, purchase, or easement, the Agency determined to seek the services of a commercial real estate firm to support location analysis and property acquisition negotiations. Historically, property transactions of this type were undertaken on a less formal basis, with agency staff taking the lead role in identifying appropriate properties. This is becoming less viable as the volume and complexity of projects have increased.

The notice of the Request for Proposals (RFP) was published on the WeGo and Transit Talent websites, and in the B2G procurement notification system on March 16, 2022. The RFP was also sent directly to 25 firms in Nashville specializing in commercial real estate. Four (4) firms participated in the pre-proposal meeting on March 28th. Two of the firms determined not to submit a proposal. The remaining two firms, Jones Lang La Salle Americas (JLL) and SVN/The Genesis Group (SVN), a certified DBE African-American male-owned firm, combined in a 75% prime 25% DBE subcontractor relationship to submit a proposal on the due date of April 22, 2022. In subsequent discussions with the firms that did not respond, the current volume of work, resource constraints, and concerns about process length brought about by the regulatory environment in which the MTA operates were cited as reasons for declining the opportunity.

Despite the lack of a larger quantity of proposals, the proposal submitted by the JLL/SVN Genesis Group team was deemed to be highly qualified, with an appropriate blending of local market knowledge, and national expertise in issues such as federally funded real property acquisition requirements. The designated JLL project manager is a former director of the Metro Nashville Office of Community and Economic Development. JLL's Nashville office will be assisted by the firm's public institutions division which is experienced in navigating federal and state agency oversight requirements. SVN has significant experience in regional commercial property acquisition. Based on the written submission and the proposer's interview presentation, the Evaluation Committee determined that the JLL proposal successfully fulfilled all of the RFP requirements and elected to proceed to contract negotiations.

Negotiations focused on hourly rates and commission basis. Services are expected to fall into two primary areas: (1) support for location analysis of various Authority properties and facilities, which would be billed on an hourly basis based on professional specialties; and traditional real estate brokerage services for leased and purchased properties that move to close based on a traditional real estate commission structure. The Procurement Department determined that the negotiated rates were fair and reasonable and comparable to similar consulting services and commercial real estate industry fee proposals. For property acquisition services, the commission structure is based on a sliding scale with declining incremental percentage commissions on higher values of the property.

This will be a task-order-based contract. For each assignment, the JLL team will provide a proposal based on the contractually agreed-upon rates for property searches. Should the team succeed in identifying a property that WeGo acquires, the contract identifies commission rates that will be paid if the commission is not part of the overall acquisition negotiation. These rates are competitive when compared to other public agency commercial real estate contracts.

RECOMMENDATION:

Staff requests that the Board provide the Chief Executive Officer the authority to enter into a contract with Jones Lang LaSalle Americas, Inc. to provide Real Property Acquisition Services for a not-to-exceed value of \$1.5 million with a duration of three years plus two one-year extension options. Funds authorized under this resolution will be assigned primarily to location analysis services. Commission fees for properties that close in a lease or purchase agreement will be separately identified and authorized in future Board actions authorizing specific property acquisitions. The contract will be funded with a combination of federal, state, and/or local funds to be determined based on a specific project assignment.

APPROVED:

Board Secretary

June 23, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Committee Discussion Item

Committee Action Item

Board Discussion Item

Item Number:	OF-D-22-018	Meeting Date:	06/23/2022
Item Title:	2021 Annual Maintenance Bus Audit		

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 purchase, 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.

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:

Chief Operating Officer Andy Burke and Maintenance Director Carl Rokos will present the 2021 Bus Maintenance Audit Update at the meeting and will discuss ongoing initiatives, targets, and challenges for the coming year.

APPROVED:



Chief Operating Officer

June 17, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Committee Discussion Item

Committee Action Item

Board Discussion Item

Item Number:	OF-D-22-019	Meeting Date:	06/23/2022
Item Title:	Disadvantaged Business Enterprise (DBE) Program Updates		

BACKGROUND:

At the September 2021 Board meeting, staff presented the Triennial DBE goal and methodology for October 2021 through September 2023, which is an element of the DBE Program. In relation to the DBE Program itself, resubmission to the Federal Transit Administration (FTA) is not required unless there are updates to federal requirements and/or a change of DBE Liaison. Staff is providing an outline of major updates to the DBE program as part of our continued commitment to regularly update the Board on our diversity initiatives.

MAJOR UPDATES TO THE DBE PROGRAM:

With the implementation of our automated Business Diversity Management System, we can efficiently monitor DBE payments and process certifications. This system also eliminates manual collection and storing of hardcopy files. Updates to the DBE Program are as follows:

Monitoring:

- The following information about the automated Business Diversity Management System has been added to the DBE Program:
 - Vendor registration
 - Automated DBE Certification process
 - Certified vendor search through the Tennessee Uniform Certification Program (TNUCP)
 - Contract compliance monitoring
 - Monitoring Prompt Payment to DBE contractors
 - Monitoring real-time achievements of DBE contract commitments

DBE Liaison Designation:

- Rachel Johnson, Procurement Business Diversity Manager, has been designated as the DBE Liaison Officer. In that capacity, Rachel Johnson is responsible for implementing all aspects of the DBE program.

Regulatory Updates and Adoptions from the Code of Federal Regulations (CFR) Title 49 (Transportation) Part 26 (Participation by DBE in Department of Transportation Financial Assistance Programs):

- Prompt Payment 26.29(a): Changed the number of days a Prime must pay a Subcontractors from 30 days to 15 days from receipt of MTA payment
- Retainage 26.29(b)(1): No retainage to be held by MTA and no retainage to be held by Prime contractor (*Retainage is the withholding of a portion of the final payment for a defined period to assure a contractor or subcontractor has finished a construction project completely and correctly*)

- Fostering Small Business Participation 26.39: MTA will establish a small business set-aside program for prime contracts under \$250,000 (Note: Program will take approximately one year to build vendor pool through the establishment of the SBA Certification Program)
- Certification Appeals 26.89: Updated Certification Appeals language
 - Tennessee Department of Transportation (TDOT) provided revised Appeal Language to be included in the DBE program as it relates to appealing certification denials or decertification of DBEs
 - Nashville MTA's denial and decertification letters will instruct firms to submit appeal letters in accordance with the appeals language provided by TDOT
- Prompt Payment Enforcement 26.29(d) – Enforcement Actions for Noncompliance of Prompt Payment (*Enforcement echoes contract Default language*: “*Should Contractor fail to fulfill in a timely and proper manner its obligations under this Contract or if it should violate any of the terms of this Contract (“Default”), the Agency shall have the right to terminate this Contract provided Contractor fails to cure such default within thirty (30) days of the Agency’s written notice of Default to Contractor. Such termination shall not relieve Contractor of any liability for damages sustained by virtue of any Default by Contractor.*”)

DBE PROGRAM COMPARISON SNAPSHOT:

By focusing more intently on increasing participation with diverse businesses, we have made significant gains in DBE participation. MTA's previous 3 years averaged a spend of 6% with diverse and small businesses. In our first new triennial year 2021, we have surpassed our previous average by spending 20% of our funding with diverse businesses.

A total of \$39.6 million was spent during FFY 2018 through FFY 2020; of that amount, \$2.4 million was spent on diverse businesses. During FFY 2021 (the first year of reporting), a total of \$5.9mil was spent and nearly \$1.2 million was spent with diverse and small businesses. Half of the \$1.2 million spent with diverse businesses, resulted in prime contracts awarded directly to diverse and small businesses.

CURRENT STATUS:

The Business Diversity Office will continue to provide regular updates of our plans to increase the awareness and visibility of procurement opportunities among small, minority, and women-owned firms fostering diverse partnerships. We will continue an upward trend through increased outreach, one-on-one technical assistance, MTA-hosted vendor training events, and constant communication with other organizations and the vendor community.

APPROVED:



Chief Administrative Officer

June 17, 2022

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-018	Meeting Date:	06/23/2022
Item Title:	FY2023 Proposed Operating Budget		

BACKGROUND:

This action item presents the proposed budget for FY2023 and is a follow-up from the May 2022 Board meeting in which we discussed relevant background information that went into the development of the FY2023 budget as well as an update of where we stand with the CARES Act, the American Rescue Plan (ARP) and the FY2022-23 Metro Nashville proposed appropriation to the MTA.

Some highlights:

- This budget increases the annual operating expenses by 14.8% over FY2022 to \$107,143,095 which includes the annualized increase in service hours of 7% implemented this past April 2022 as well as an additional 6% increase in service hours for the next round of Better Bus to be implemented during this proposed budget year. It should be noted that some of the service increases we originally submitted to Metro for implementation in FY2023 will be delayed because an alternative budget being considered by Metro Council only includes \$2.9 million compared to our original ask of \$3.9 million. Metro Council's decision will likely be known at the June 21, 2022 meeting. This will be reported to the Board at the meeting. The projected cost per service hour would increase at a rate of 10% which, while fairly significant, falls in line with last month's discussion regarding the impact of inflation running at 8% plus the extraordinarily high prices everyone is seeing in the cost of fuel.
- Various categories of operating revenues show large increases over last year as we continue to see recovery from the pandemic. Increases in expenses are related to the impact of fuel prices and inflation, increased labor recruitment efforts to address labor shortages as well as the impact of maintaining older vehicles, and the ever-present difficulty of securing needed parts in the face of continued supply chain issues. In addition, there are increases associated with the Better Bus services being proposed in this budget.
- A noteworthy change that was also done in the current FY2022 budget is the proposed use of pandemic-related funding for operating expenses to temporarily eliminate the use of Federal Capital Operating and ADA Reimbursements from the budget. In prior years, these reimbursements were (essentially) a transfer of funds from Federal resources available to fund our capital improvements budget over to eligible expenses in the Operating Budget. With the availability of pandemic relief funding through the CARES Act and American Rescue Plan Act (ARP), our normal formula Federal capital funds will be available to fund capital projects in our capital plan. As relief funding is depleted, we will need to return to the practice of moving capital funds into the operating budget for FY2024 and beyond.
- Beyond the additional bus operators needed to support potential service expansion, additional positions will be needed in operations supervision (Transportation and Maintenance) and Facilities to support the service expansion. However, as discussed in last month's meeting, these support positions will be back-end loaded after the first of the year only after we hire and secure the bus operators to run the service. Again, this will allow us a cushion to be available as we determine what impact inflation and fuel prices will have on our budget.

- In total, the proposed budget includes pro-rated funding for 43 additional positions. Most of these are associated with Better Bus service expansion initiatives and the associated support required for this service expansion (26 Bus Operators, 3 Operations Supervisors, 5 Maintenance Technicians, 2 Maintenance General Helpers, and 1 overnight Fleet Maintenance Supervisor). Our growing portfolio of facilities and expanded service coverage hours for those facilities are accounting for additional position growth (2 Facilities General Helpers to create an additional Stop/Shelter Maintenance crew, 1 Building Custodian, and 1 Facilities Maintenance Supervisor). Finally, upgrades in business practices are leading to the addition of an Additional Transit Planner/GIS Analyst, and an Asset Management Coordinator to oversee our facilities' asset management practices.

The following summary highlights the increases in revenues for this proposed budget compared to FY 2022:

Fare and Contract Revenue	\$2,304,500
Advertising Revenue	\$50,200
Non-Transportation Revenue	\$26,100
Metro Subsidy	\$9,775,000
State Operating	\$71,600
Use of American Rescue Plan Funding	\$1,124,400
Use of CARES Act Funding	\$453,500
Total Revenue Increase	<u><u>\$13,805,300</u></u>

- The increase in fare revenues represents the continuing recovery from the pandemic that we are already experiencing in our ridership. This increase is estimated to achieve between 70% to 75% of pre-COVID fare revenues. CARES Act funding will be used to cover the operating expenses that would have been covered by the lost revenue. Contract revenues include a proposed 3% increase in the hourly rate charged to RTA for the Southeast Corridor and train shuttle contracted service and 2% in the RTA management contract.
- The increase in advertising revenues represents an incremental increase as we continue to come out of the pandemic and continue to focus on regaining those customers lost during the pandemic.
- Other non-transportation revenues are increasing as our tenants, Dunkin Donuts and Metropolis Parking (formerly Premier Parking), continue to recover from the impacts of the pandemic and we return to full contract value with Metropolis Parking after being under a rent abatement agreement since April 2020. CARES Act funding will be used to cover our overall operating expenses should rent revenues not reach budgeted expectations.
- The increase in Metro Government's subsidy represents the amount being considered in the Metro Council's alternative budget which includes our baseline request plus an additional \$2.9 million for Better Bus service increases.
- The increase in State operating support represents a 1.4% increase from the prior year.
- The increase in ARP represents the anticipated increases in preventive maintenance and ADA expenses to be incurred in FY2023. As previously noted, in both FY2022 and FY2023, American Rescue Plan grant dollars are being utilized in lieu of Federal 5307 Capital formula grant dollars. With the somewhat more restrictive usage requirements for the ARP funding, we are exchanging the two funding sources in order to spend the ARP fund more expediently while at the same time freeing up federal 5307 capital funds for use in our capital spending plan.
- The increased use of CARES Act is primarily due to having to cover higher inflationary costs. The anticipated use of CARES Act funding is also based on the combination of lost revenues, increased use of cleaning supplies, and the additional labor related to enhanced cleaning and disinfecting practices that have continued since the outset of the pandemic.

The following summary highlights the increases in operating expenses for this proposed budget compared to FY 2022:

Labor	\$4,971,900
FICA, Pension and Workers' Comp	\$820,100
Health Insurance	\$1,585,500
Fuel	\$4,529,000
Other Services	\$879,300
Parts, Materials, and Supplies	\$759,200
Liability Insurance	\$139,100
Other	\$121,200
Total Expense Increase	\$13,805,300

- Labor costs are increasing as a result of contractual wage increases and scheduled wage step increases for union labor as stipulated in our Collective Bargaining Agreement (CBA) and proposed administrative wage increases. This increase also reflects the impact of the changes in last year's new CBA which was not reflected in the FY2022 budget due to the timing of finalizing the CBA coming after the final budget approval. As we discussed last month, starting bus operator pay was increased and the progression to top pay reduced from 4 years to 3 years in an effort to address the workforce shortages coming out of the pandemic. There is also additional labor expense associated with proposed service improvements included in the Metro Nashville Transportation Plan that was discussed at last month's meeting.
- The increased FICA, Pension, and Workers' Comp cost directly relate to the corresponding increase in overall labor described above plus additional FTEs being added to accommodate the proposed service increases. The employer contribution rate of 8% for our pension plan remains unchanged for the FY2023 budget based on the actuarial analysis.
- An increase of approximately 7.7% in health care coverage is anticipated due to general inflationary increases in medical costs as well as increases associated with the additional FTEs being proposed in the Better Bus service increases.
- Increases in fuel costs are directly related to the higher fuel prices seen around the country and the impact this had on our new diesel and gasoline fuel hedging contracts. We hedge approximately 80% of our diesel and 75% of our gasoline consumption. During FY2022, hedging contract prices for diesel and gas were uncharacteristically low due to the pandemic with an average of \$1.23 per gallon for diesel and \$0.97 for gasoline. The contract pricing for FY2023 for diesel will be \$2.87 and \$2.65 for gasoline. The increase in fuel needed for the proposed new services has also impacted the budget.
- The increase in Other Services anticipates increases in our Access on Demand and overflow third-party expenses as we continue recovering from the pandemic. It also includes anticipated increases in recruitment expenses and a salary study to further our strategies for attracting and retaining employees. There is some increased security related to normal contractual increases plus security associated with the proposed new service increases.
- The increase in parts, materials, and supplies is primarily related to inflationary adjustments to parts costs and is further impacted by the fact that we are having to maintain older fleet vehicles due to delays in replacement vehicles being delivered as a result of the aforementioned ongoing supply chain crisis. There are also additional parts expenses related to the proposed new service increase.
- The increase in property and liability insurance is directly related to our revenue fleet and seeing larger than normal across-the-board increases in premiums as it relates to large liability claims being paid out in the liability insurance industry.
- The increase in Other Expenses is due to inflationary increases in anticipated utility costs and administrative expenses.

Chief Executive Officer Steve Bland and Controller Shelly McElhaney will discuss the information presented above with the Board, and respond to any questions.

RECOMMENDATION:

We recommend the Board adopt the FY2023 budget as presented here.

APPROVED:

Board Secretary

June 23, 2022

Date

Metropolitan Transit Authority

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FY2023 Phase 2 Better Bus Proposed Budget

Account Number	Account Description	FY2023 PROPOSED	FY2022 FINAL BUDGET	FY2023 vs FY2022 Budget Variance	% Var	FY2024 FORECAST	FY2025 FORECAST	FY2026 FORECAST
401010	FULL ADULT FARES	4,525,420	2,849,030	1,676,390	58.8%	5,050,520	5,404,360	5,674,760
401020	SENIOR CITIZEN FARE	890,510	645,000	245,510	38.1%	983,600	1,052,450	1,105,070
401030	STUDENT FARE	660,350	555,000	105,350	19.0%	726,390	777,240	816,100
	Passenger Fares	6,076,280	4,049,030	2,027,250	50.1%	6,760,510	7,234,050	7,595,930
401050	ACCESS FARES	708,490	513,250	195,240	38.0%	782,490	837,260	879,120
	Access	708,490	513,250	195,240	38.0%	782,490	837,260	879,120
402040	CONTRACT SERVICES - TRANSPORTATION	2,098,600	2,037,480	61,120	3.0%	2,140,570	2,183,380	2,227,050
405010	CONTRACT SERVICES- MANAGEMENT RTA	1,064,950	1,044,070	20,880	2.0%	1,064,950	1,086,250	1,086,250
	Contract Revenue	3,163,550	3,081,550	82,000	2.7%	3,205,520	3,269,630	3,313,300
406030	ADVERTISING SALES REVENUE	552,280	502,070	50,210	10.0%	563,330	574,600	586,090
	Advertising	552,280	502,070	50,210	10.0%	563,330	574,600	586,090
407010	MISC INCOME: NON-TRANSPORTATION	128,200	128,200	0	0.0%	130,760	133,370	136,040
407030	RENTAL OF BUILDING & PROPERTY	1,214,000	1,187,865	26,135	2.2%	1,238,280	1,263,050	1,288,310
40799-408	OTHER RECEIPTS	20,000	20,000	0	0.0%	20,400	20,810	21,230
	Other Non-Transportation Revenue	1,362,200	1,336,065	26,135	2.0%	1,389,440	1,417,230	1,445,580
409010	LOCAL ASSISTANCE	61,610,900	51,835,900	9,775,000	18.9%	67,510,470	70,860,435	74,366,990
411010	STATE ASSISTANCE	5,170,200	5,098,610	71,590	1.4%	5,273,600	5,379,070	5,486,650
411010	CMAQ	0	0	0	0	0	0	0
	JARC & NEW FREEDOM	0	0	0	0	0	0	0
422226	*RESCUE ACT* FUNDING	24,427,585	23,303,190	1,124,395	4.8%	593,470	0	0
422225	*CARES ACT* FUNDING	4,071,610	3,618,135	453,475	12.5%	6,891,480	2,366,072	0
	Operating Assistance	95,280,295	83,855,835	11,424,460	13.6%	80,269,020	78,605,577	79,853,640
422223	CAPITAL OPERATING REIMBURSMENT	0	0	0		17,678,870	22,458,133	24,603,730
422224	CAPITAL ADA REIMBURSEMENT	0	0	0		2,750,000	2,750,000	2,750,000
	Capital Revenue	0	0	0		20,428,870	25,208,133	27,353,730
	TOTAL REVENUE	107,143,095	93,337,800	13,805,295	14.8%	113,399,180	117,146,480	121,027,390
501-ALL	SALARIES & WAGES	42,812,280	38,526,305	4,285,975	11.1%	45,574,240	46,827,520	48,115,250
502-PTO	PTO BENEFITS	5,739,290	5,102,920	636,370	12.5%	6,114,020	6,282,130	6,454,900
502010	EMPLOYER F.I.C.A.	3,695,450	3,319,350	376,100	11.3%	3,934,890	4,043,100	4,154,280
502020	PENSION	3,838,170	3,445,590	392,580	11.4%	4,087,840	4,200,250	4,315,760
502030-40	HOSP, MEDICAL & SURGICAL PLAN	18,081,537	16,496,050	1,585,487	9.6%	19,358,160	20,395,780	21,483,900
502071	STATE UNEMPLOYMENT INS.	10,990	22,290	(11,300)	-50.7%	11,910	12,270	12,640
502080	WORKERS COMP	1,308,880	1,257,510	51,370	4.1%	1,381,110	1,422,540	1,465,220
502-FF	OTHER FRINGE BENEFITS	759,980	699,100	60,880	8.7%	791,910	815,650	840,130
	Labor & Fringes	76,246,577	68,869,115	7,377,462	10.7%	81,254,080	83,999,240	86,842,080

Metropolitan Transit Authority

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FY2023 Phase 2 Better Bus Proposed Budget

Account Number	Account Description	FY2023 PROPOSED	FY2022 FINAL BUDGET	FY2023 vs FY2022 Budget Variance	% Var	FY2024 FORECAST	FY2025 FORECAST	FY2026 FORECAST
503023-28	PROMOTIONAL SERVICES & PROJECTS	351,680	323,500	28,180	8.7%	370,700	381,820	393,280
503031	MTA SECRETARY	10,930	10,610	320	3.0%	11,260	11,600	11,950
503032	ATTORNEY'S FEES	212,400	195,380	17,020	8.7%	223,890	230,610	237,530
503033	OUTSIDE AUDITING EXPENSE	84,690	82,220	2,470	3.0%	87,230	89,850	92,550
503034	WEB MANAGEMENT	65,560	63,650	1,910	3.0%	67,530	69,560	71,650
503035	SECURITY SERVICES	2,205,040	2,028,380	176,660	8.7%	2,324,350	2,394,080	2,465,900
503036	INTEREST ON LINE OF CREDIT	99,200	96,310	2,890	3.0%	102,180	105,250	108,410
503037	BANK SERVICE CHARGES	105,620	102,540	3,080	3.0%	108,790	112,050	115,410
503030	ACCESS ON DEMAND	1,628,000	1,480,000	148,000	10.0%	1,709,400	1,794,870	1,884,610
503038	PARATRANSIT OVERFLOW	2,138,400	1,944,000	194,400	10.0%	2,202,550	2,268,630	2,336,690
503039	OTHER SERVICES	2,503,470	2,139,060	364,410	17.0%	2,602,910	2,680,990	2,761,450
503040	TEMPORARY PERSONNEL	27,320	26,520	800	3.0%	28,140	28,980	29,850
503029	COVID-19 TESTING TRANSPORTATION	0	0	0	0.0%			
503050	CONTRACT MAINT - SERVICE	2,576,410	2,637,225	(60,815)	-2.3%	2,653,710	2,736,960	2,826,820
Services		12,008,720	11,129,395	879,325	7.9%	12,492,640	12,905,250	13,336,100
504011	DIESEL FUEL	5,593,563	2,018,080	3,575,483	177.2%	5,811,510	5,985,850	6,165,420
504012	GASOLINE	1,702,100	781,570	920,530	117.8%	1,770,510	1,823,630	1,878,340
504013	LUBRICANTS	403,540	371,210	32,330	8.7%	425,380	438,140	451,280
504014	PROPANE GAS	8,200	7,540	660	8.8%	8,650	8,910	9,170
Fuel		7,707,403	3,178,400	4,529,003	142.5%	8,016,050	8,256,530	8,504,210
504022	TIRES & TUBES	669,410	616,450	52,960	8.6%	705,320	726,480	748,270
504990	PARTS	4,339,590	3,756,510	583,080	15.5%	4,564,750	4,701,680	4,842,740
504991	M & S GENERAL	849,420	772,660	76,760	9.9%	874,890	901,120	928,120
504995	PRINTING SERVICES	182,780	177,460	5,320	3.0%	188,270	193,910	199,720
504997	OFFICE SUPPLIES	76,140	73,900	2,240	3.0%	78,450	80,800	83,220
504998	JANITORIAL SUPPLIES	411,050	374,090	36,960	9.9%	433,160	446,150	459,540
504999	DATA PROCESS SUPPLIES /GENERAL	63,650	61,800	1,850	3.0%	65,560	67,530	69,560
Parts, Materials & Supplies		6,592,040	5,832,870	759,170	13.0%	6,910,400	7,117,670	7,331,170
505021	ELECTRIC	787,870	753,760	34,110	4.5%	811,500	835,850	860,930
505022	NATURAL GAS	229,480	222,790	6,690	3.0%	236,370	243,460	250,760
505024	WATER & SEWER	73,270	70,770	2,500	3.5%	75,480	77,740	80,070
505025/6	OFFICE TELEPHONES	380,840	362,900	17,940	4.9%	392,270	404,030	416,160
Utilities		1,471,460	1,410,220	61,240	4.3%	1,515,620	1,561,080	1,607,920
506030	LIABILITY & PHYSICAL DAMAGE	2,457,720	2,318,600	139,120	6.0%	2,531,450	2,607,390	2,685,610
Casualty and Liability		2,457,720	2,318,600	139,120	6.0%	2,531,450	2,607,390	2,685,610
507040	LICENSING TRANS VEHICLES	960	930	30	3.2%	990	1,020	1,050
509011	DUES & SUBSCRIPTIONS	159,305	120,030	39,275	32.7%	164,080	169,010	174,080

Metropolitan Transit Authority

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FY2023 Phase 2 Better Bus Proposed Budget

Account Number	Account Description	FY2023 PROPOSED	FY2022 FINAL BUDGET	FY2023 vs FY2022 Budget Variance	% Var	FY2024 FORECAST	FY2025 FORECAST	FY2026 FORECAST
509021-3	TRAVEL & TRAINING	237,190	226,890	10,300	4.5%	244,300	251,630	259,190
509071	BAD DEBT EXPENSE - GENERAL	1,650	1,600	50	3.1%	1,700	1,750	1,800
509081-991	MISCELLANEOUS-GENERAL	62,270	60,450	1,820	3.0%	64,150	66,080	68,060
509994	POSTAGE	19,670	19,100	570	3.0%	20,260	20,870	21,500
509995	FREIGHT - PARTS	43,250	39,250	4,000	10.2%	44,540	45,880	47,250
509996	BUS ROADEO EXPENSES	35,850	34,810	1,040	3.0%	36,920	38,020	39,170
512121	LEASE/RENT - STORAGE/EQUIPMT	99,030	96,140	2,890	3.0%	102,000	105,060	108,200
Other		659,175	599,200	59,975	10.0%	678,940	699,320	720,300
TOTAL EXPENSES		107,143,095	93,337,800	13,805,295	14.8%	113,399,180	117,146,480	121,027,390
SURPLUS/(DEFICIT)		0	0	0		0	0	0
RTA Mgmt Fee		(\$1,064,950)	(\$1,044,070)			(\$1,064,950)	(\$1,086,250)	(\$1,086,250)
Taxi Overflow & Access on Demand		(\$3,766,400)	(\$3,424,000)			(\$3,911,950)	(\$4,063,500)	(\$4,221,300)
Net Operating Expenses		\$102,311,745	\$88,869,730			\$108,422,280	\$111,996,730	\$115,719,840
<i>Service Hours Estimated</i>		756,200	722,726			774,600	774,600	774,600
<i>Cost per Hour</i>		\$135.30	\$122.96			\$139.97	\$144.59	\$149.39
<i>Percentage Change</i>		10.03%	1.39%			3.46%	3.30%	3.32%

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-22-019	Meeting Date:	06/23/2022
Item Title:	Adoption of the FY2023-2027 Capital Investment Plan		

BACKGROUND:

The Nashville Metropolitan Transit Authority's (MTA) Capital Investment Plan prioritizes needs, identifies funding sources, and sets timelines for MTA's capital projects over a five-year period. The plan outlines regulatory, state of good repair, and growth and expansion need that guide the Authority's future project development activity. Generally, projects identified in the first year of the plan are relatively firm in scope and budget while projects in out-years are likely more conceptual.

Staff is presenting a recommended Capital Investment Plan for the period of FY2023-2027. Investments totaling approximately \$47.6 million are recommended in Year One (FY2023) of the plan, with a total project investment recommendation of \$261.7 million over the life of the plan. Projects identified in Year One have access to full funding. Staff projects a balanced capital budget over the full 5 years while being relatively conservative in estimating future resources.

RECOMMENDATION:

Staff requests the Board to formally adopt the attached FY2023-2027 Capital Investment Plan.

APPROVED:

June 23, 2022

Board Secretary

Date

FY 2023-2027 MTA Proposed Capital Investment Plan

June 23, 2022

The Nashville Metropolitan Transit Authority (Nashville MTA) Board of Directors recognizes the need to develop a broad funding policy for the annual Capital Budget to maintain assets in a state of good repair (SGR); to provide improvements to existing service for current riders; and to reflect and advance the initiatives adopted under the nMotion Strategic Service Plan to expand the use of mass transit in Davidson County.

This capital plan generally identifies sources and amounts of projected capital funding available to Nashville MTA as well as a framework for categorizing and prioritizing projects for funding decisions. It goes on to provide descriptions of proposed capital projects and to project available resources for those projects.

The capital plan provides planned projects for a five-year horizon – FY2023 through FY2027. Projects listed for FY2023 generally have been thoroughly scoped and have identified funding sources associated with them. Once approved in the Capital Plan, Nashville MTA board members can next expect to see them reported out in a project delivery phase, such as design or procurement.

Projects listed for FY2024 and beyond are more conceptual in nature, and most will likely require more detailed scoping and the identification of specific funding sources. In the case of State of Good Repair (SGR) projects, these are drawn from our existing fleet plan, as well as recent experience with respect to facility capital maintenance projects. Projects under business improvement and nMotion service expansion/service improvement are listed to facilitate discussion of Nashville MTA priorities among members. Once adopted into the FY2023 Capital Plan, staff will work with funding partners including the Federal Transit Administration (FTA), Tennessee Department of Transportation (TDOT), Greater Nashville Regional Council (GNRC), and Metro Nashville to identify the best matches for outside discretionary funding. Funds described in later sections of this document that might be applied include Congestion Mitigation and Air Quality (CMAQ) funds, federal Surface Transportation Block Grant Program (STBG) funds, State Improve Act funds, and funding from the Capital Spending Plan of the Metropolitan Government, as well as several smaller sources.

This plan is broadly broken down into the following sections:

- A. Nashville MTA Capital Funding Sources and Amounts:** Describes the typical funding sources for Nashville MTA capital projects.
- B. Capital Funding Strategy:** Broadly describes a ranking process that management uses in advancing capital projects for recommendation to the Board for inclusion. This process is consistent with FTA Asset Management Requirements.
- C. Funding Look Ahead:** A snapshot of where the Nashville MTA stands with respect to likely available funds compared to project needs.
- D. Project Plan Budget:** A listing of proposed projects, scheduled years, and budgets.
- E. Project Descriptions:** A brief description of each project in the project plan budget.

A. Nashville MTA Capital Funding Sources and Amounts

The Nashville MTA receives capital funding from federal, state, and local sources as identified below.

1. Federal 5307 – Urbanized Area Formula Grant

Section 5307 federal formula funding is provided to the region based on reported and audited population, service, and ridership data. Through annual agreements with regional partners at the MPO level, funding is split among Nashville MTA, the Regional Transportation Authority of Middle Tennessee (RTA), and Franklin Transit. These funds can be flexed over to the operational budget to be used for preventative maintenance to some extent, as allowed by FTA regulation. These are typically 80% funds, meaning that 80% of the funding shown is federal money while 10% of the money comes from the state and 10% comes from local sources.

At this time, Nashville MTA can reasonably predict that annually it will receive approximately \$24.7 million total for Capital needs in 5307 funds including state/local match annually. Nashville MTA typically transfers approximately \$20 million to the operations budget for preventative maintenance and Americans with Disabilities Act (ADA) service costs, though the specific amount for this transfer is included as part of the annual operating budget process. For plan year FY2022-23, this need is mitigated by the availability of Federal American Rescue Plan Act funding, described later in this document.

FTA provides 5307 funding to public transit systems in Urbanized Areas (UZA) for public transportation capital projects, planning, job access and reverse commute projects, and operating expenses in certain circumstances.

Eligible activities include:

- Planning, engineering, design and evaluation of transit projects and other technical transportation-related studies;
- Capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and
- Capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software.
- All preventive maintenance and some ADA complementary paratransit service costs are considered capital costs.

Population of an urbanized area is among the variables that factor into the calculation of these formula grant amounts. Population is based on the most recently completed census. Once the 2020 census urbanized area boundaries are released, two specific possibilities may have a negative impact on funding available to the region:

- The Nashville-Davidson Urbanized Area could exceed one million for the first time. This will place Nashville MTA in a different funding tier, among the largest metropolitan areas of the nation, and could have a negative impact on funding; and
- The City of Murfreesboro may be included in the Nashville-Davidson Urbanized area, adding their transit system –Murfreesboro Rover as well as services provided by the Mid Cumberland Human Resources Agency to the regional mix of transit operators – Nashville MTA, RTA, Rover, MCHRA and Franklin Transit – sharing these funds.

This issue also impacts other federal formula funded programs.

2. Federal 5339 – Bus and Bus Facilities Grant

The 5339 federal formula funding is provided to the region based on reported and audited bus ridership data. Through annual agreements with regional partners, funding can be split among Nashville MTA, RTA, and Franklin Transit. As with 5307 funding, these are typically 80% funds, meaning that 80% of the funding shown is federal money while 10% of the money comes from the state and 10% comes from local sources.

At this time, the region can reasonably predict that annually it will receive approximately \$1.5 million for Capital needs in 5339 funds and state/local match annually. As Nashville MTA provides the greatest share of bus service in Middle Tennessee, the portion of these funds that would be fairly shared with RTA and Franklin Transit requires significant paperwork for limited revenue to those agencies. By mutual agreement, Nashville MTA receives the full allocation of regional 5339 funding.

FTA provides 5339 funding to states and transit agencies through a statutory formula for capital projects to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities.

3. Federal Congestion Mitigation and Air Quality (CMAQ)

These are federal funds that are allocated by TDOT through a competitive grant process. These funds typically are 80% federal and require a state or local match. Nashville MTA can apply to TDOT for capital funding for bus replacements, Park & Rides, and other projects that would result in a reduction of vehicle congestion and an associated improvement of local or regional air quality.

MTA does not have a current strategy for requesting these funds and cannot reasonably include this as an ongoing and stable funding source. However, MTA does review shovel ready projects in its capital budget to submit CMAQ applications each year as eligible. As the Board approves each subsequent capital plan, staff will work with TDOT and regional leadership at the MPO (GNRC) to evaluate the best candidate projects for CMAQ funding.

4. Federal Surface Transportation Program (STBG) & other New Infrastructure Investment and Jobs Act (IIJA) Programs

These are Federal Highway Administration funds that are managed and allocated by the MPO. Nashville MTA can apply for use on capital projects, engineering, planning studies, and similar activities. These funds are also typically 80% federal and require a state or local match. Additional funding will be available to the region through the IIJA. Two of the new programs align with potential transit projects: The Carbon Reduction Program (CRP), which provides funds for projects designed to reduce transportation emissions, defined as carbon dioxide (CO₂) emissions from on-road highway sources, and the Safe Streets and Roads for All (SS4A) program, which supports local initiatives to prevent death and serious injury on roads and streets, commonly referred to as "Vision Zero" or "Toward Zero Deaths" initiatives.

Nashville MTA does not have a current strategy for requesting these funds and cannot reasonably include this as an ongoing and stable funding source. Like CMAQ, as the Board approves each subsequent capital plan, staff will work with TDOT and regional leadership at the MPO to evaluate the best candidate projects for STBG funding.

5. State IMPROVE Act Program

These are state funds that are allocated by TDOT through a competitive grant process. These funds require a local match. Nashville MTA can apply to TDOT for funding for a broad range of transit capital projects.

Nashville MTA has a strategy for requesting these funds and keeps a list of eligible shovel ready projects for this funding source. Recent awards include bus stop improvements on Nolensville Pike, Buchanan Street, Murfreesboro Pike, outdoor amenities at Central, and the North Nashville Transit Center. Although the FY2021-22 budget adopted by the State reduced this funding source to \$6 million, the State subsequently restored full funding for the program and recently reduced the local match amount required for projects.

6. State Grant Match

Nashville MTA relies on state funding to provide matches to federal funds, typically in the amount of 10% of total project cost.

7. Local Capital Funding and Grant Match

Nashville MTA relies on local funding to provide matches to federal funds. Nashville MTA also makes annual requests of 100% capital funding for specific capital needs including funding the annual fleet replacement needs for bus and paratransit vans. Metro may also fund projects that are aligned with the needs of Metro and Nashville MTA including projects such as design and construction of Neighborhood Transit Centers.

Funding is based on local approval of annual budgets. In order for Nashville MTA to obligate funds to projects, funding for the project must be authorized through the Council-adopted Capital Spending Plan(CSP). Besides the grant match amounts, Metro's FY2022 CSP included \$29.3 million for different MTA needs including replacement buses, stop and shelter improvements, and neighborhood transit center development. Prior to consideration in the CSP, projects must be identified in the Council-approved Capital Improvement Budget (CIB). The CIB is a planning document that communicates a wide variety of capital projects and indicates the extent to whichthese projects are consistent with the City's Comprehensive Plan. Funding of CIB project through the CSP is dependent on the level of capital funding in a particular year relative to planned projects.

Metro Council is in the process of adopting a new CIB. Nashville MTA projects included in the proposed CIB include matches to our Federal and State grants, WeGo Access replacement buses, fixed route transit replacement buses, stop and shelter improvements, neighborhood transit centers projects, and other improvements related to the implementation of the Better Bus plan. Nashville MTA also serves as a conduit for RTA capital budget requests. RTA projects in the CIB include federal and state grant matches, WeGo Star rail upgrades, and improvements at Donelson Station on the WeGo Star to support the pending transit-oriented development in that neighborhood.

8. Other

When projects deemed to be a Nashville MTA priority cannot be funded through traditional formula sources, a dialogue is initiated with potential outside funding partners (i.e.: TDOT, GNRC, etc.) to identify other potential sources of funds. Other sources include grants from other federal, state, or local entities. Nashville MTA continuously reviews discretionary opportunities to apply for grants to support capital projects. Occasionally, there may be truly unique circumstances that generate other funds. Examples of some ofthe types of funding in play now include Federal "HOPE" funding toward the North Nashville Transit Center, FTA COVID Research funds to a reliability improvement project, and partner funding from the Nashville Downtown Partnership for the Connect Downtown Study.

B. MTA Capital Funding Strategy

The Nashville MTA capital funding strategy prioritizes the agency's needs to maintain assets in a state of good repair; to provide improvements to existing service for current riders; and to reflect and advance the initiatives adopted under the nMotion Strategic Service Plan to expand the usage of mass transit. Projects are categorized in the following order of priority.

1. Safety / Regulatory Projects

Completing projects required for safety or by law/regulation is at the top of Nashville MTA's priority list. Capital projects for FY2023 in this category include software for processing and analyzing boarding data from Automated Passenger Counters (APC) used for reporting to the National Transit Database (NTD), a requirement from the Federal Transit Administration for transit agencies receiving federal funding, security improvements, and solar lighting at bus stops to improve passenger safety.

2. Transfer of Federal Capital Funds to Operational Preventative Maintenance and ADA

Nashville MTA transfers Federal 5307 capital dollars for operational preventative maintenance and ADA needs. The amount transferred annually is reviewed to balance the needs of system maintenance and system capital projects. This includes the long-term ground lease for the North Nashville Transit Center.

3. State of Good Repair (SGR)

Maintaining the existing transit system in a state of good repair is also one of Nashville MTA's highest priorities. Having well maintained, reliable transit infrastructure will help ensure safe, dependable, efficient, and accessible services.

Capital SGR projects include routine vehicle repair and replacement; infrastructure rehabilitation, replacement, and repair; and routine replacement of information technology (IT) assets.

4. Business Improvements

In order to provide increase staff efficiency and improve business processes, Nashville MTA will review and upgrade or implement strategic process improvements to streamline business efforts and increase effective use of existing resources.

5. nMotion Service Improvements

In order to provide increasingly meaningful service to Davidson County and Middle Tennessee residents, Nashville MTA will improve its existing service making it easier to use, more convenient, comfortable, more efficient, and accessible. nMotion recommendations for service improvements include:

- Capital investments supporting bus service improvements (such as bus fleet expansion);
- New and expanded passenger waiting shelters;
- B-Cycle bike sharing stations at neighborhood transit centers
- Neighborhood transit centers;
- QuickTicket integration with transit partners.

C. Nashville MTA Capital Funding Look Ahead

The chart below illustrates the reasonably predicted sources and amounts of funds available to the Nashville MTA for capital projects for FY2023 through FY2027. In addition to recurring sources, Nashville MTA has access to carryover funds from prior project years. These funds generally become available through

reprogramming of project funds for projects that could not be completed, projects coming in under budget, etc. Nashville MTA will carry approximately \$42.7 million of total funding into FY2023 capital projects.

Nashville MTA has approximately \$47.6 million in project capital needs for FY2023 and known funding committed in the amount of \$50.6 million with another \$42.7 million of prior year funding. As such, the “known year” of the plan is more than fully funded and, if the plan is approved by the Board, you can expect “next actions” to be project delivery as outlined by the upcoming year’s projects. Nashville MTA is assuming Metro matching funds against federal and state funding will be awarded.

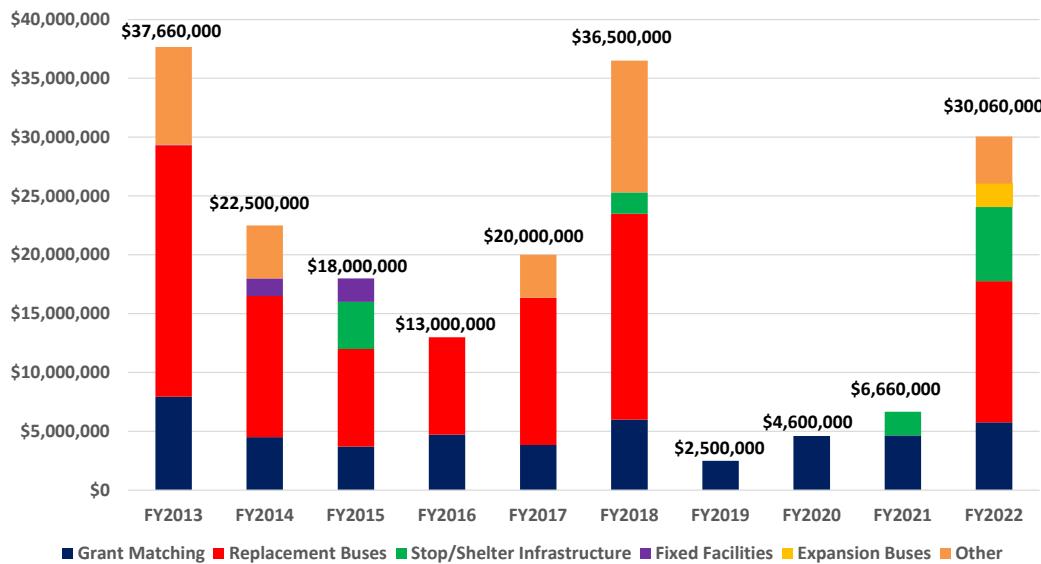
Based on recent trends in formula funding and ongoing discussions with entities such as TDOT and GNRC, the following table projects funding we can reasonably expect to receive over the five years of this plan:

Funding Source	Revenues		Revenues		Revenues		Revenues		Revenues	
	FY2023	FY2024	FY2025	FY2026	FY2027	Total Available				
Prior Year Carryover	\$ 42,710,463	\$ 45,713,548	\$ 44,978,978	\$ 41,894,213	\$ 47,524,467					
Section 5307 - Urbanized Area Formula	\$ 24,773,958	\$ 25,517,176	\$ 26,282,692	\$ 27,071,173	\$ 27,883,308	\$ 176,768,083				
Section 5339 - Bus and Bus Facilities	\$ 1,521,180	\$ 1,459,667	\$ 1,503,457	\$ 1,548,561	\$ 1,595,018	\$ 11,523,266				
CRRSAA	\$ 873,800	\$ -	\$ -	\$ -	\$ -	\$ 873,800				
Congestion Mitigation/Air Quality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Surface Transportation Block Grant	\$ -	\$ 4,000,000	\$ 2,435,000	\$ 2,885,000	\$ 3,355,000	\$ 16,196,853				
Improve Act	\$ 1,275,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 4,952,769				
Metro Local Capital Spending Plan	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000	\$ 28,214,944				
State Formula Match	\$ 3,286,892	\$ 2,697,684	\$ 2,778,615	\$ 2,861,973	\$ 2,947,833	\$ 20,714,892				
Metro Grant Match	\$ 3,930,342	\$ 5,122,105	\$ 4,832,019	\$ 5,048,717	\$ 5,273,541	\$ 29,455,005				
Total	\$ 93,371,635	\$ 102,510,182	\$ 100,810,760	\$ 99,309,636	\$ 106,579,165	\$ 288,699,611				
Less Funds Committed to Ongoing Projects	\$ 47,658,087	\$ 57,531,204	\$ 58,916,547	\$ 51,785,169	\$ 45,850,089	\$ 317,970,535				
Funds Available for Ensuing Year	\$ 45,713,548	\$ 44,978,978	\$ 41,894,213	\$ 47,524,467	\$ 60,729,077					

These projections assume no funds under the CMAQ program, which is a competitive discretionary program. However, 100% Metro Capital funds including grant matches, approximately equaling \$20 million per year, are assumed for FY23 and beyond as part of Metro’s Capital Spending Plan process. This contribution would allow WeGo to continue to address State of Good Repair projects, stop and shelter improvements, and conceptual planning for future transit centers. However, this level of Metro funding would not provide necessary funding to deliver the high-capacity transit corridor projects, such as Murfreesboro Pike Bus Rapid Transit, referenced in the Metro Nashville Transportation Plan.

Because local funding for capital projects is highly unpredictable, this section bears emphasis. To fully match available State and Federal grant sources, sustain current assets in a state of good repair and advance improvement projects identified in the nMotion and Metro Nashville Transportation Plans, we will need to see an average annual commitment of \$20 million through Metro Nashville’s Capital Spending Plan (CSP) process. Over the past ten years (as illustrated on the following chart) we have met this target half the time and saw a 3-year stretch where our total CSP allocation was less than \$15 million. The relatively high balances in available funding we have for our capital plan this year comes from the Federal pandemic relief money we received from the Federal government, much of which we used to free up Section 5307 Federal formula funding for true capital projects. Once these funds are expended, a robust annual capital allocation from Metro will be even more crucial.

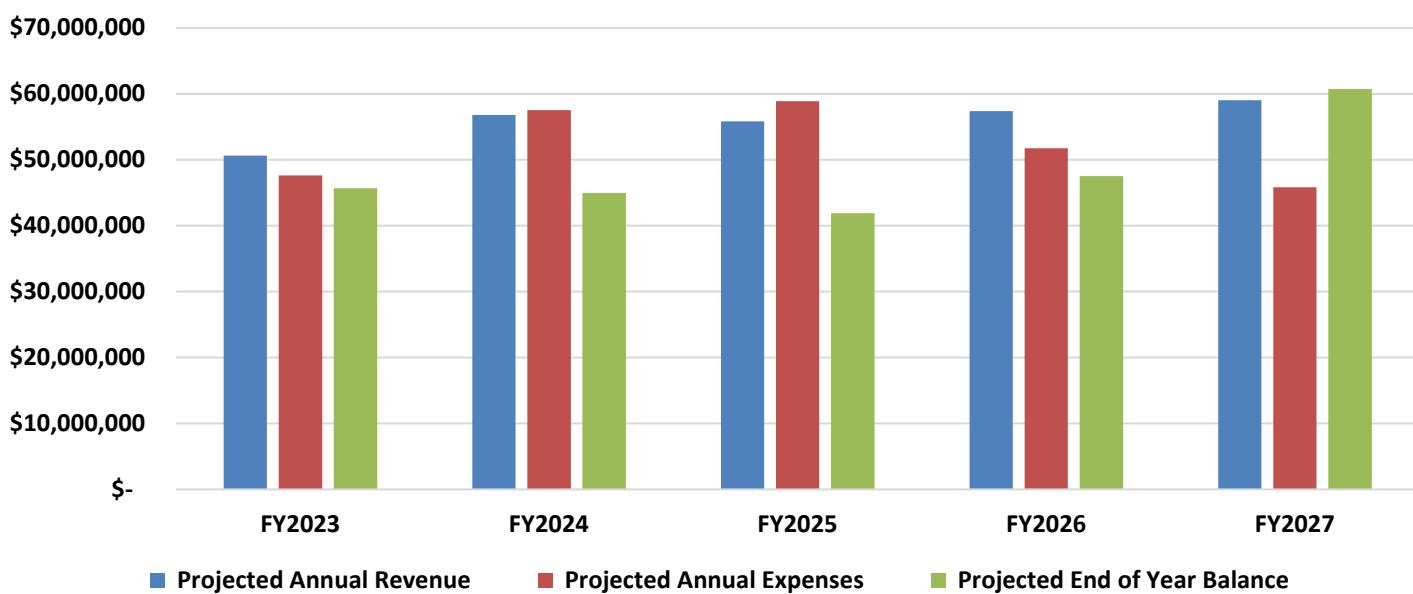
Trends in Metro Capital Funding



Note: "Grant Matching" are the minimum local funds required to access available USDOT and TDOT Grants. These grants are predominately purposed to Preventive Maintenance (Operating Budget) and State of Good Repair Projects.

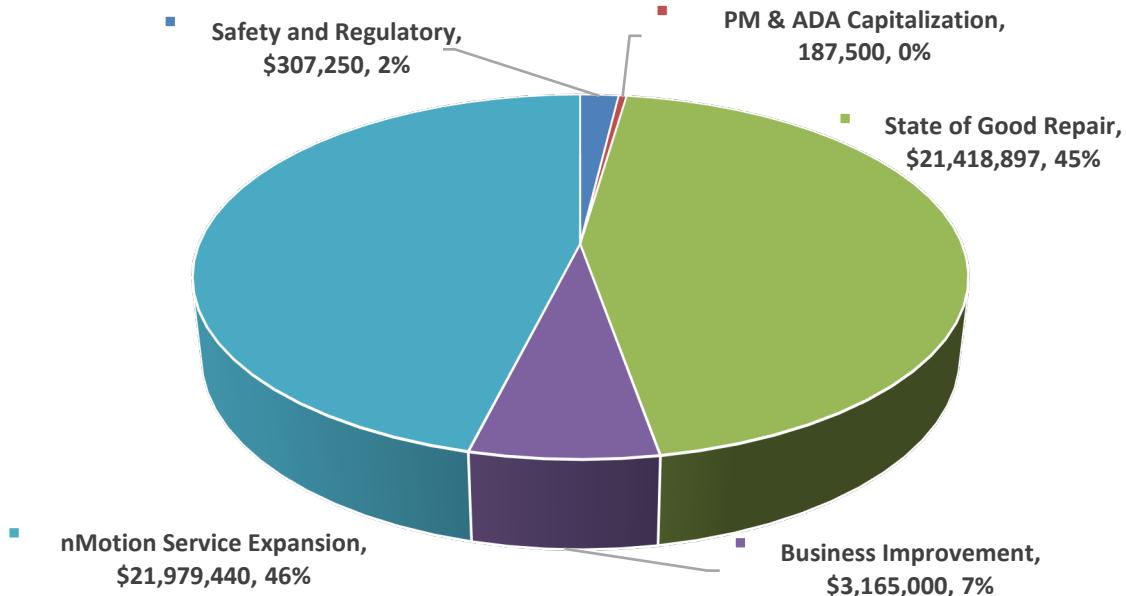
The most significant risk to the program beyond the availability of Metro funding is the potential impact of the 2020 census on our federal formula funding, as described above. The IMPROVE Act has been a significant source of project funding since its inception in 2018 and we anticipate MTA to continue to be successful in securing some of this funding in future years for capital projects. You will note from the chart, that at the end of the plan there is a positive fund balance of \$60.7 million to roll toward the FY28 capital plan. This value includes the above-outlined assumptions, namely \$75 million in 100% Metro funds over the life of the plan. In the event program funding does fall short, first-priority will need to go to Safety and Regulatory Projects and State of Good Repair Projects.

FY2022-2026 Annual Capital Funding Projections

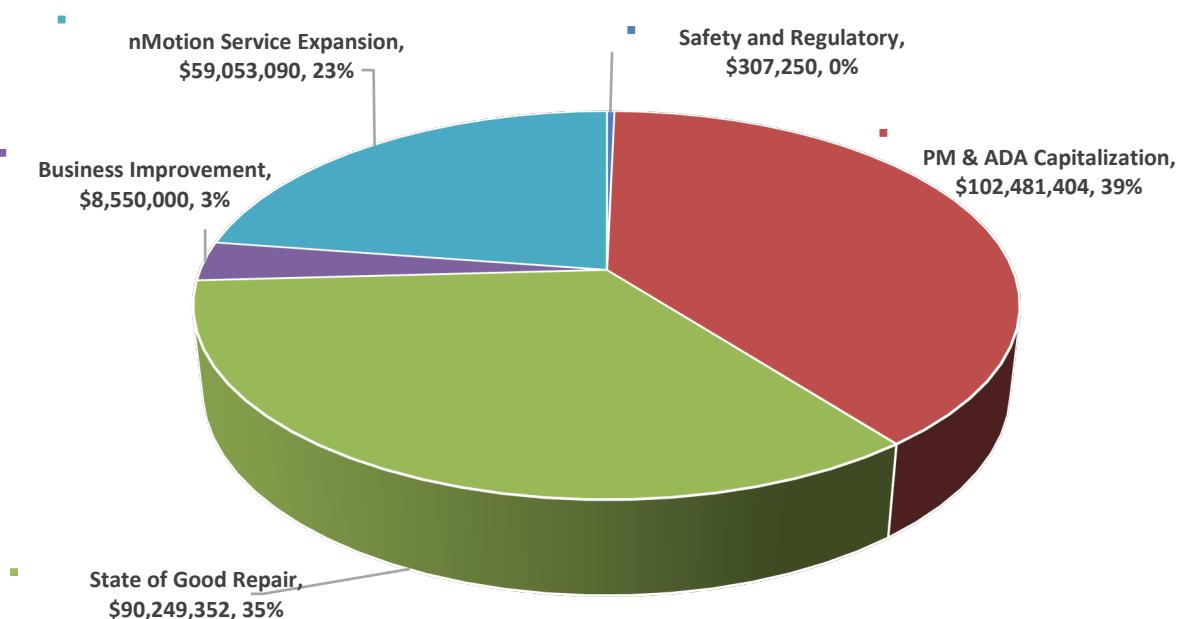


The next two charts provide an overview of recommended project funding. The first chart illustrates the recommended distribution among major funding categories in FY2023, and the second illustrates the recommended distribution among major funding categories for the five-year span of the plan – FY2023 through FY2027.

FY2023 MTA Proposed Project List \$47,658,087



FY2023-2027 MTA Proposed Project List \$261,741,096



D. Project Plan Budget (1 of 2)

The recommended project plan detailed budget tables follow:

Project Requests	FY2023	FY2024	FY2025	FY2026	FY2027	Total
1 - Safety and Regulatory Projects						
A. APC Software and NTD Reporting Solution	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
B. Bus Stop Lighting Solution	\$ 107,250	\$ -	\$ -	\$ -	\$ -	\$ 107,250
C. Transit Security Consultant Services	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Total Safety and Regulatory -	\$ 907,250	\$ -	\$ -	\$ -	\$ -	\$ 907,250
2 - Preventive Maintenance and ADA Capitalization Transfer						
A. Annual Operating Budget Capitalized to Offset Expenditure	\$ -	\$ 21,381,290	\$ 25,208,133	\$ 27,071,173	\$ 27,883,308	\$ 101,543,904
B. Annual Leases for North Nashville Transit Center & Outbound Shelter Site	\$ 187,500	\$ 187,500	\$ 187,500	\$ 187,500	\$ 187,500	\$ 937,500
Total PM and ADA Capitalization Transfer -	\$ 187,500	\$ 21,568,790	\$ 25,395,633	\$ 27,258,673	\$ 28,070,808	\$ 102,481,404
3 - State of Good Repair Projects						
<i>Rolling Stock (Revenue)</i>						
A. 12-Year Heavy Duty Bus Replacement - Fixed Route	\$ 10,688,870	\$ 8,337,319	\$ 13,131,569	\$ 10,650,941	\$ 4,027,992	\$ 46,836,691
B. 5-Year Body-on-Chassis Bus Replacement	\$ 3,174,444	\$ 3,174,444	\$ 3,301,422	\$ 3,433,479	\$ 3,735,593	\$ 16,819,382
Total Revenue Vehicle Replacement -	\$ 13,863,314	\$ 11,511,763	\$ 16,432,991	\$ 14,084,420	\$ 7,763,585	\$ 63,656,073
<i>Equipment</i>						
C. Non-Revenue Vehicle Replacement	\$ 655,272	\$ 148,820	\$ 71,238	\$ 81,268	\$ 148,820	\$ 1,105,418
E. Information Technology Routine Hardware, Software & Office Equipment Replacement	\$ 450,000	\$ 550,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 2,350,000
F. Replace Electric Bay, Waiting Area and Lobby Signage	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000
G. OnBoard & OnStreet IT Equipment Replacement	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
Total Equipment -	\$ 1,205,272	\$ 3,298,820	\$ 621,238	\$ 631,268	\$ 698,820	\$ 6,455,418
<i>Facilities</i>						
H. Facility Maintenance & Capital Replacement	\$ 1,300,000	\$ 1,750,000	\$ 1,650,000	\$ 2,000,000	\$ 1,900,000	\$ 8,600,000
I. Nestor Facility Phased Maintenance Facility and Site Rehabilitation/Upgrade Projects	\$ 4,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,000,000	\$ 750,000	\$ 8,750,000
J. Bus Stop Amenities Replacement	\$ 650,311	\$ 298,831	\$ 766,035	\$ 395,808	\$ 276,876	\$ 2,387,861
K. Central External Bay Coverings	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Total Facilities -	\$ 6,350,311	\$ 3,548,831	\$ 3,916,035	\$ 3,395,808	\$ 2,926,876	\$ 20,137,861
Total State of Good Repair	\$ 21,418,897	\$ 18,359,414	\$ 20,970,264	\$ 18,111,496	\$ 11,389,281	\$ 90,249,352
4 - Business Improvement						
A. Nestor Maintenance Area Space Improvement Initiative	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
B. Paratransit Dispatching/Scheduling Software Upgrade	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000
C. Yard Management and Enhanced Vehicle Tracking at Nestor and Central	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
D. Enterprise Asset Management (EAM) & Enterprise Resource Planning (ERP) System	\$ 250,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 2,250,000
E. Apprentice / Maintenance Training Program	\$ 200,000	\$ 200,000	\$ 150,000	\$ 150,000	\$ 125,000	\$ 825,000
F. Employee Information/Engagement Portal	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 325,000
G. Zero Emission Fleet Plan	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Total Business Improvement -	\$ 3,165,000	\$ 5,265,000	\$ 215,000	\$ 215,000	\$ 190,000	\$ 8,550,000
5 - nMotion Service Expansion/Service Improvement						
A. Better Bus Fleet Expansion	\$ 10,180,000	\$ 4,838,000	\$ 6,135,650	\$ -	\$ -	\$ 21,153,650
B. Shelter Expansion/Upgrade Program	\$ 3,000,000	\$ 3,000,000	\$ 2,200,000	\$ 2,200,000	\$ 2,200,000	\$ 12,600,000
C. B-Cycle Stations at Neighborhood Transit Center	\$ 99,440	\$ -	\$ -	\$ -	\$ -	\$ 99,440
D. Development of Transit Centers	\$ 8,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 24,000,000
E. Quick Ticket Integration						
i. Vanderbilt Mobile Employee/Student ID Fare Integration	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000
ii. Transit App Integration	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
iii. API Integration	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Total Service Expansion/ Service Improvement -	\$ 21,979,440	\$ 12,338,000	\$ 12,335,650	\$ 6,200,000	\$ 6,200,000	\$ 59,053,090
Grand Total, All Projects -	\$ 47,658,087	\$ 57,531,204	\$ 58,916,547	\$ 51,785,169	\$ 45,850,089	\$ 261,741,096

A. Project Descriptions

The following are brief descriptions of each project contained in the Project Plan Budget.

Safety and Regulatory Projects

Safety and Regulatory Projects represent those projects viewed as important to protecting the safety and security of WeGo Public Transit customers, employees, and assets. These projects also represent investments that are required to operate within the rules of various regulatory bodies that govern specific operations of WeGo Public Transit.

- 1. APC Software and NTD Reporting Solution:** This project includes software for processing and analyzing boarding data from Automated Passenger Counters (APC) used for reporting passenger miles to the National Transit Database (NTD), a requirement from the Federal Transit Administration for transit agencies receiving federal funding. The new solution will use a new software to process and cleanse APC data for internal and NTD reporting. The data could also serve as an additional source of ridership estimates that do not rely exclusively on fare collection data. The data would also increase the quality of data used to support decision-making for route planning purposes and amenity (shelter) placement.
- 2. Bus Stop Lighting Solution:** The project entails the installation of standalone security lighting solution for unsheltered bus stops that increases safety and reduces pass-ups, which is a frequent complaint reported by transit agencies. The solution will allow customers to power up the security lighting while waiting for the bus.
- 3. Transit Security Consultant Services:** Through this project, the MTA would engage the consulting services of qualified firms in the area of transit security. Nationally, we have seen an uptick in various security related incidents on public transportation including assaults on operators and “quality of life” issues associated with various societal issues that find their way into transit operations. All of these issues are present in Nashville, and on the MTA system. Additional local concerns are reflected with our expanding base of passenger facilities (transit centers and expanded shelter program) and challenges with respect to our historic security partnerships, as both our contracted security services and the Metro Nashville Police Department have faced recent staffing shortages that have challenged our program. The purpose of this project would be to have qualified outside consultants with broad experience in security and specific experience in transit security examine our current environment, security practices and make recommendations for improvement.

Transfers to Operating Budget for Capitalized Items

These projects represent annual expenditures that flow through our operating budget but are eligible for funding through various capital grant sources.

- 4. Annual Operating Budget Preventive Maintenance/ADA Expenditures:** Annual transfer of capital funds to operational budget for preventive maintenance and Americans with Disabilities Act Complementary Paratransit expenses, as permitted under federal law. This is the maximum amount allowable as currently calculated by Finance and reflects annual increases in line with increasing expenses in these line items. Historically, Metro has requested that we minimize our requests for operating assistance while simultaneously expanding the system in exchange for more funding under their Capital Spending Plan to sustain a state of good repair. These transfers are a fairly common practice in the transit industry, particularly among smaller transit systems in regions that lack dedicated funding. During the period of FY2013 through FY2018, the average annual investment of Metro Capital Spending Plan funds in WeGo Public Transit projects was over \$24.6 million. However, from FY2019 through

FY2021, the average dropped to just less than \$4.6 million annually (a reduction of 81%). As with last year, for FY2023, staff is proposing to replace these annual transfers with funding provided through the American Rescue Plan Act – one of the two pandemic relief bills that provided the MTA with significant funding. The MTA received a total of \$46,243,245 through this program, and we assigned all of this to operating assistance. This has freed up Federal Section 5307 Urbanized Area Formula Grants funding for traditional capital projects.

5. **Annual Lease for North Nashville Transit Center:** This project represents the annual payments for the long-term ground leases approved by the MTA Board for the land on which we will be constructing the NorthNashville Transit Center and the outbound shelter site. This is an eligible capital expense under Section 5307 formula funding for transit activities and will be a recurring item with periodic adjustments as called out in the approved leases.

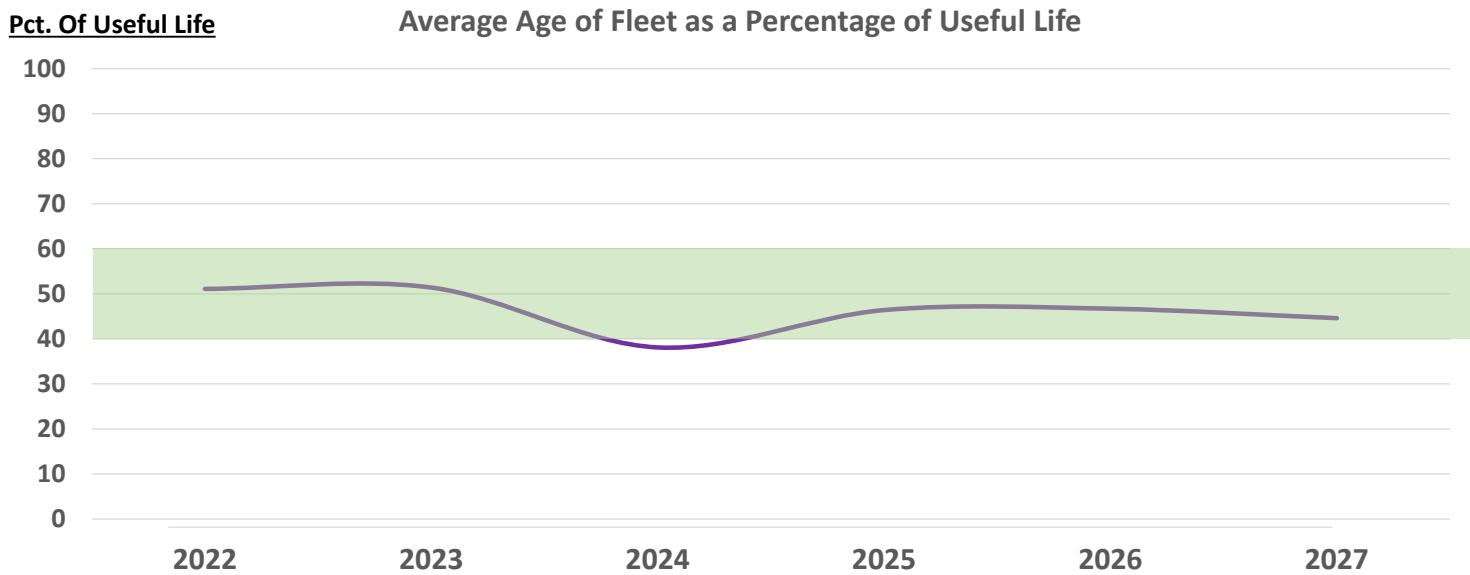
State of Good Repair (SGR) Projects

State of Good Repair Projects represent those investments in the rehabilitation and routine replacement of fixed assets based on the useful life of an asset, or some other precipitating condition such as engineering analysis or in-service failure. This category is the specific focus of the Authority's Transit Asset Management Plan (TAM), as required by the Federal Transit Administration. Beyond sound operating practice, the FTA will closely examine the condition of a transit agency's physical infrastructure and stability of its service levels prior to committing funding to expansion projects through funding sources such as New Starts or Small Starts.

6. **Twelve-Year Heavy-Duty Bus Replacement – Fixed Route:** Annual bus replacement to bring fleet into SGR according to the fleet management plan and in accordance with goals established in the Nashville MTA's TAM plan for existing service levels (as such, this category does not include buses required for service expansion). Twelve-year heavy-duty buses are deployed on WeGo Public Transit's higher ridership routes and include 40-foot standard low-floor buses for normal local routes, and 60-foot articulated low-floor buses for the highest ridership services. The plan assumes a normal replacement cycle of 12 years, utilizing CleanDiesel propulsion technology. The fleet replacement schedule is as follows for the duration of this plan:

	FY2023	FY2024	FY2025	FY2026	FY2027
40-Foot Clean Diesel Standard Low Floor	16	12	4	0	4
60-Foot Clean Diesel Articulated Low Floor	0	0	11	11	4
Total	16	12	15	11	8

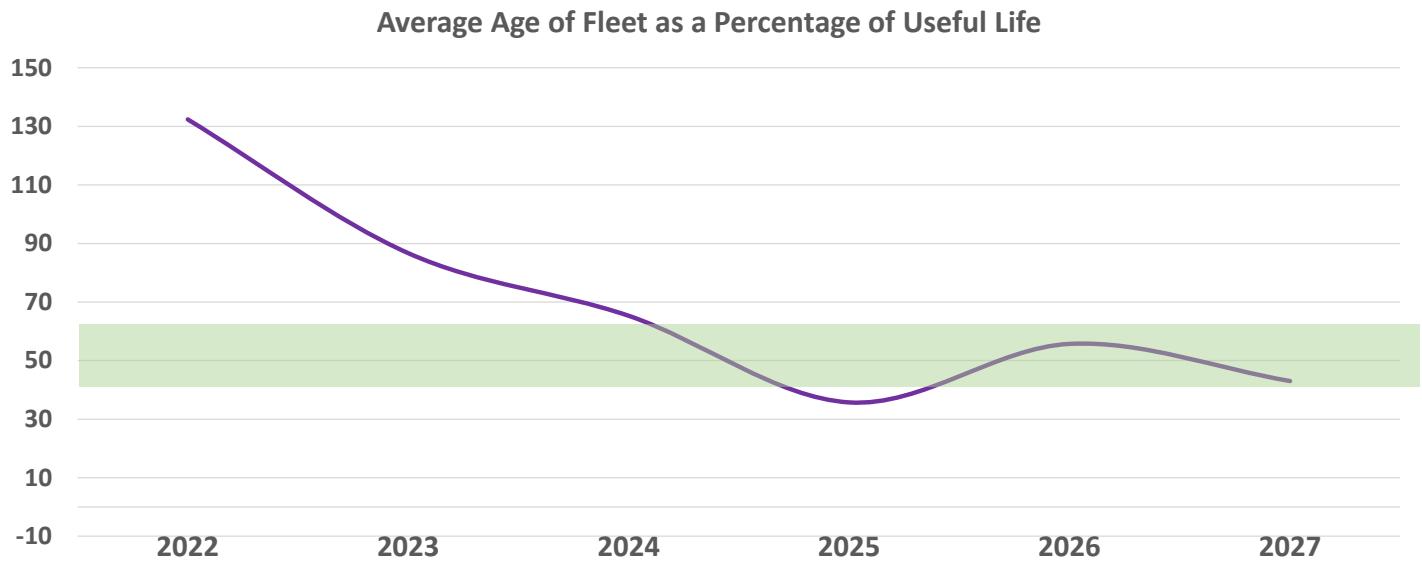
An effective fleet replacement program attempts to avoid significant “peaks and valleys” in replacements. This practice normalizes maintenance expense (ie: you’re maintaining about the same number of new buses, old buses and middle-aged buses each year), smooths capital expenditures, and provides for more flexible service planning as fleet composition can be more quickly adapted to changing service and ridership patterns. Based on this schedule, the average age of fleet will be well within the target average age of 4.8 to 7.2 years, with the exception of a slight dip to “too new” in 2024. This was brought about by the recent delays in purchasing our articulated buses, which also led us to “speed up” the acquisition of 40’ buses as a contingency. This is not a significant issue and will sort itself out in the coming years. The chart below depicts the projected average age of the Authority’s heavy-duty bus fleet expressed as a percentage of useful life assuming we carry out the plan as presented. For example, a metric of 50% would mean that the average age of a bus is six years old:



7. **Body-on-Chassis Vehicle Replacement:** Annual small bus replacement to bring fleet into SGR according to the fleet management plan and in accordance with goals established in the Nashville MTA TAM plan for existing service levels (as such, this category does not include buses required for service expansion). Body-on-Chassis vehicles are the small buses in the WeGo Public Transit fleet, generally built on Ford commercial chassis' and accommodating 12 - 20 passengers. These vehicles are used on low patronage fixed bus routes (with added equipment such as electronic destination signs, fare collection equipment, bicycle racks, stop annunciators, etc.) and in Access door-to-door service. The plan assumes a normal replacement cycle of 5 years, utilizing gasoline propulsion technology. Fleet replacement schedule is as follows:

	FY2023	FY2024	FY2025	FY2026	FY2027
Fixed Route	8	8	8	8	8
Access	12	12	11	12	12
Total	20	20	19	20	19

An effective fleet replacement program attempts to avoid significant “peaks and valleys” in replacements. This practice normalizes maintenance expense (ie: you’re maintaining about the same number of new buses, old buses and middle-aged buses each year), smooths capital expenditures, and provides for more flexible service planning as fleet composition can be more quickly adapted to changing service and ridership patterns. Based on this schedule, the average age of fleet will reach the target average age of 2 - 3 years by the mid-point in the plan. Since the onset of the pandemic, we have experienced numerous supply-chain related issues with respect to various parts and supplies. However, nowhere has this issue been more damaging than with our small bus inventory. Typically, it takes 8 – 10 months for us to receive these vehicles after order. Now, suppliers are indicating it could be more than 2 years to receive equipment based on a nationwide shortage of the Ford chassis on which the bus is built. Given that the bus only has a useful life of 5 years, this lag time is extraordinary. This year, we’ve taken some unusual steps just to get a few new vehicles into the fleet. The impact on average fleet age is obvious in the chart below. More than half of our small bus fleet has already exceeded its useful life, and the “average” bus is at over 130% of its useful life. The chart below depicts the projected average age of the Authority’s body-on-chassis bus fleet expressed as a percentage of useful life assuming we carry out the plan as presented. For example, a metric of 50% would mean that the average age of a bus is 2.5 years old. If we are able to execute the plan as shown, we will not see our fleet return to an acceptable range until late 2024. This, of course, is totally dependent on the supply of these vehicles returning to historic norms.



8. Non-Revenue Vehicle Replacement: Annual non-revenue car/truck replacement to maintain fleet in a State of Good Repair according to the fleet management plan as needed based on age, mileage or condition of various vehicles. For FY2022-23, there has been an accumulated backlog of replacements due to pandemic impacts on access to vehicle parts and manufacturing delays. Currently, 58 vehicles have reached the end of their useful life. After FY2022-23, the programmed funding would provide for a more “normal” replacement cycle of 5 – 7 vehicles per year, depending on type purchased and resolution of supply chain issues. Vehicles included in this classification include operations supervisory vehicles, maintenance support vehicles, pool cars, inventory distribution vehicles, stop/shelter maintenance vehicles, etc.

Additionally, as expansion of transit stops and centers continues so does the need for additional non-revenue vehicles to support this expansion. This will expand non-revenue vehicles by 3 vehicles outfitted for transit stop maintenance.

9. Information Technology Routine Hardware Replacement: Annual IT Budget for maintenance and replacement of current IT needs. This equipment generally includes the servers, workstations, copiers, and related equipment necessary to sustain the Authority’s enterprise and office management software.

10. Replacement of Electric Signs at Bus Bays, Waiting Areas and Lobby Signage at WeGo Central: Electric signage at Central bus bays is original to the building dating back to its opening in 2008. There are 24 real time signs located throughout the building and additional next bus signage located in the four waiting areas. End of life replacement for these signs is scheduled in FY2024.

11. On Board & On Street IT Equipment Replacement: Five to ten year replacement of on-board vehicle and on street hardware and software including fare collection equipment, ticket vending machines, transit signal priority, 800Mhz voice, Ultra High Frequency data, on board routers, automated passenger counters, Computer-Aided Dispatch/Automatic Vehicle Locator, and Wi-Fi hardware. On street hardware includes customer facing equipment for bus bays at Central and on street single line signs. This may include firmware and software programming services.

12. Operating Facility Building Capital Repair/Replacement: This item is a planned recurring expenditure to support capital repairs and replacements on significant building systems (i.e.: HVAC, Elevator/Escalator, Plumbing, Pavement, Roof and Structure) on an as needed basis. Larger individual items

would be programmed separately from the more routine projects included in this line item.

13. Nestor Maintenance Facility Upgrades: The Nestor facility is the main maintenance, operations, and dispatching location for WeGo hosting most of the operational activities. Offices at the Nestor facility underwent significant renovation in recent years, the much more complicated task of upgrading the Maintenance facility and improving site circulation has not moved forward. Given that more than 90% of WeGo Public Transit's bus fleet is dispatched and undergoes running repair here, the facility will need to begin design of major upgrades and renovations to remain viable. While the Myatt facility has more than enough space to accommodate significantly more fleet than it does currently, the location of the facility is problematic, as it would require excessive deadhead hours and miles. Recently, service development staff modeled operation of the entire fleet out of the Myatt Drive facility in the event Nestor became inoperable for some reason. They estimated that the Authority's operating budget would need to increase by more than \$6 million annually to operate the current level of service. This necessitates a programmed approach to upgrading the Nestor facility – a process that is complicated by its location within the Cumberland River floodplain, which may restrict the value and nature of renovations that can be done. Last month, we reviewed several issues outside the MTA's direct control that make it difficult to plan for a long-term upgrade to this facility (or, alternatively, its replacement). However, there are a number of more immediate projects that will need to be completed in the short-term, regardless of long-term direction. These include, but are not limited to:

- Sanitary Sewer Line Removal and Parking Area Stabilization
- Riverbank Stabilization
- Roof Replacement (May be partially reimbursed with FEMA funds due to storm damage)
- Exhaust Systems
- Shop Doors
- Pavement Repair and Rail Track Removal
- Security Structures
- HVAC Equipment Replacement
- Back Flow Relocation

14. Bus Stop Amenities Replacement: Annual budget for ongoing repair and replacement of old shelters, benches, and trash cans. These projects will generally involve very little construction, with a routine "exchange" of old amenities for new ones by the Transit Stop staff. The useful life of a shelter is approximately 10 years. In addition, given recent realignments of service and a move toward Better Bus service improvements and system classification (i.e.: frequent service network, local routes, etc.).

15. WeGo Central External Bay Coverings: This project involves the design, removal, and installation of new external bay coverings to improve passenger comfort at WeGo Central, specifically at Bays 7, 9 and 11 on the upper level that currently have very limited protection from the elements.

Business Improvement

Business improvement projects are generally larger-scale planning, software or technology projects that provide a measurable enhancement to efficiency or customer service. These projects will also include routine, periodic updates to Authority planning efforts as required.

16. Nestor Maintenance Area Space Improvements: This project will address several initiatives across multiple divisions in the organization including Transit Stop, Fleet Maintenance, and Part Inventory Management. Improvements will provide a dedicated space for the Fleet Manager to minimize disruptions, a safe and secure area for parts management with proper receiving area, and the relocation

of the Transit Stop team to a more practical area with space for the new print shop equipment.

17. Paratransit Dispatching/Scheduling Software Upgrade: The existing paratransit scheduling software has been used by MTA for well over a decade. Beyond normal obsolescence, the system does not accommodate current and emerging operating practices such as Access on Demand, WeGo Link, or real-time scheduling and dispatching trips. This project entails the replacement of the existing system and will be consistent with recommendations from the Access Improvement Study that will provide specific functional specifications for a new system.

18. Yard Management System and Enhanced Vehicle Tracking (Nestor & Central): In terms of transit service, a surprisingly high number of trips leave the operating facility late due to factors ranging from operators not being able to find their assigned bus, to buses with mechanical failures being improperly parked and classified in active areas, to lost paper vehicle condition reports leading to buses with mechanical conditions being improperly placed back in service. Currently, all of these are paper-based systems. This project would install micro location tracking technology on all MTA fixed route revenue vehicles along with equipment at the Nestor and Central facilities. This system would provide enhanced vehicle location information in areas where GPS is insufficient or unreliable. At the Nestor garage, this location data would be used to automatically identify the parking locations and pull-out/in times of vehicles and could be used to largely automate the vehicle assignment process. At Central, the enhanced location data would allow for real-time, high-resolution monitoring of vehicle arrivals/departures, schedule adherence, headway performance, and timeliness of operator reliefs and start-of-trip departures.

19. Enterprise Asset Management & Enterprise Resource Planning System: Over the years WeGo has implemented a combination of data and financial management systems to address the needs of its business operations. These systems combined essentially function as stand-alone pieces for Procurement, Contracts Administration, Finance, Human Resources, Grants, Facilities, Maintenance and Operations. The current systems are outdated and ineffective in supporting the existing business processes. These general issues result in staff spending an extraordinary amount of time performing simple transactions as well as investigating the status of invoices in the purchase order/finance cycle. This project will fund the detailed exploration of options for implementing and integrating these systems into the agency's processes.

20. Apprentice Training Program (Maintenance Focus): Acquire modules, equipment, and tools to implement and maintain a Maintenance Apprenticeship Program as part of the Training Department.

21. Employee Engagement and Information Portal: Implementation of specific software for addressing gaps in how information is made available to the workforce. Ultimately, there is a gap with distribution of information and communication with the workforce dependent on the location an employee resides in, and the reporting structure for that employee. This solution will offer an App/Portal option where the agency can provide policies & procedures as well as communicate any pertinent information in a one-stop location for employees to access. The app would serve as a communication portal for updates and house other self-service apps within the organization. The tool can be used in several different functions across the organization to help improve employee engagement and offer a consistent method to address gaps of information across the organization.

22. Zero Emission Fleet Transition Plan: The Bipartisan Infrastructure Law includes provisions for the FTA Grants for Buses and Bus Facilities Competitive Program and the Low or No Emission Program to include a requirement that any application for projects related to zero-emission vehicles include a Zero-Emission Transition Plan. This project will begin the development of such plan for MTA. Before MTA can procure zero emission vehicles, there is a need to identify unknown challenges and obstacles. This project will

seek the help of subject matter expert consultants to assist the agency in drafting a Zero Emission Fleet Transition Plan to identify gaps in knowledge, infrastructure needs, service modifications, and provide scopes to address the needs of the organization.

nMotion Service Expansion/Service Improvement

- 23. *Twelve-Year Heavy-Duty Bus Expansion, Fixed Route:*** This item reflects service expansion scenarios developed as part of the Better Bus process and incorporated into the Metro Nashville Transportation Plan. The schedule presented here represents the phased implementation of Better Bus as outlined in the Metro Nashville Plan and incorporated into the recently adopted Metro Capital Improvement Budget. Specific acquisition authorizations will depend on projected increases in Metro operational funding to support service expansion.
- 24. *Five-Year Body-on-Chassis Bus Expansion:*** Similar to item 23 above, additional buses required on the fixed-route system would be developed in conjunction with adoption of Better Bus service expansion scenarios. However, Access also has projected an ideal fleet size based on pending demand. This calls for an expansion in the Access fleet which has been delayed to pending delivery of Access vehicle replacements and to assure that Operator levels are sufficient to staff the additional fleet.
- 25. *Shelter Expansion/Upgrade Program:*** The proposed plan allots \$3 million on FYs 2023 and 2024 and \$2.2 million each subsequent year to upgrade and expand the Authority's passenger waiting shelter program. This effort includes locations that were adopted as part of the Metro Nashville Transportation Plan in December 2020 and stop locations that merit improvements in accordance with WeGo Transit Design Guidelines. Typically, new sites (and many of the sites in need of expanded shelters) require extensive civil construction to accommodate the shelters, and many are also likely to require easements or other property acquisition strategies.
- 26. *B-Cycle stations at Neighborhood Transit Centers:*** In addition to facilitating connections between WeGo services, Neighborhood Transit Centers are designed to provide connections with other modes. Bikeshare is a complementary mode that can offer more choices for how riders access WeGo services. This project is a collaboration between WeGo and B-Cycle in which WeGo would host (purchase) bikeshare docks and electric bicycles to be installed and maintained by B-Cycle. Locations would include the Hillsboro Transit Center and the upcoming North Nashville Transit Center. Docks would be installed in public spaces in the neighborhoods surrounding the transit centers making connections with bikeshare more useful and offering improved access to destinations that may not be directly served by WeGo routes.
- 27. *Transit Center Projects:*** This is a key element of the nMotion plan and included in the Metro Nashville Transportation Plan to improve transit options and facilitate connections outside of Downtown Nashville. Funds in the amount of \$8 million on FY2023 and \$4 million every year after are proposed to support planning and development services for transit centers will support planning and development services such as real estate prospecting, conceptual design, legal work, and appraisal services for 'next generation' transit centers. These funds will be used as specific opportunities arise. The Hillsboro Transit Center is complete, and the North Nashville Transit Center is moving along. As previously reported to the Board, other neighborhood and regional transit centers are in varying stages of development. Staff is working closely with Metro on future plans for the Hickory Hollow area redevelopment with hopes of identifying a site for a future transit center serving both local and regional services. Additionally, staff is monitoring opportunities for transit centers at Madison Town Center, Donelson Station, Skyline area of Dickerson Pike, and within Metro's plan for the East Bank redevelopment.

28. QuickTicket Integration: Proper integration of QuickTicket with other systems is a critical part for the success of the fare collection system. An integrated system is important for a smooth, efficient, and reliable process that enhances customer satisfaction. It also helps with tracking ridership, and collecting revenue, and data gathering. This project entails QuickTicket's integration process with different transit partners including Vanderbilt University, Transit App, and Application Programming Interface (API) with other partners to optimize the QuickTicket system.