



MINUTES
REGIONAL TRANSPORTATION AUTHORITY
JUNE 19, 2013

- I. **CALL TO ORDER:** The regular meeting of the Regional Transportation Authority Board of Directors was held in the meeting room at Music City Central at 400 Charlotte Avenue on June 19, 2013. A quorum was established and the meeting was called to order at 10:04 a.m. by RTA Chair Karl Dean, Metro Nashville and Davidson County Mayor.
- II. **APPROVAL OF MINUTES:** Chair Dean entertained a motion to approve the minutes of the May 15, 2013 meeting. Proper motion was made and seconded. The vote of approval was unanimous and the minutes were adopted as presented.
- III. **PUBLIC COMMENTS:** There were no public comments.
- IV. **SOUTHEAST CORRIDOR COMMITTEE REPORT:** Committee Chair Rutherford County Mayor Ernest Burgess reported that the committee reviewed the performance of the routes in this corridor. Ridership is growing on the 84X Murfreesboro Express to Nashville and the trend is in the right direction. The 86X Smyrna-LaVergne Express route to Nashville is also showing a positive trend. We are interested in watching these routes and making improvements as needed to help them grow over the next few years. The services provided by these new routes are much needed.

Board Chair Dean asked if there were any questions or comments. Governor Appointee Ed Cole offered that he and Mary Beth Ikard, of the MPO, had the opportunity to meet with teachers from the Rutherford County schools yesterday, arranged by the Rutherford County Chamber of Commerce. They talked about the Southeast Corridor study and the teachers stand ready to help.

- V. **MARKETING REPORT:** Committee Chair Governor Appointee Kelly Dannenfelter reported that the committee heard from Marketing and Communications Director Patricia Harris-Morehead. She updated the committee on plans for the Music City Star's service for the July 4th Nashville Riverfront celebration. Train tickets went on sale June 4th and as of this morning (June 19th) less than two hundred (200) tickets remain available for purchase.

Ms. Morehead also shared some information about the upcoming Music City Star promotion that we will hear more about this morning from Mayor Craighead.

- VI. **OPERATIONS REPORT:** Committee Chair Portland Mayor Ken Wilber reported that ridership continues to be strong and it looks like we will hit the ten million mark this year. He then presented the following action item to the Board:

- a. **Music City Star Track Rehabilitation Process (A-13-007):** The Operations Committee recommends to the Board that they award the contract for track rehabilitation to Nashville and Eastern Railroad at a cost not to exceed \$1,279,105.38. Funding is available from Federal 5307 grant money. Local match funds are being provided from NERA and NERC. Proper motion was made. There was no discussion and the vote of approval was unanimous.

VII. FINANCE AND AUDIT COMMITTEE REPORT: Committee Chair Rutherford County Mayor Ernest Burgess presented the following items to the Board for their consideration:

- a. **FY 13 Continuation Budget for FY 2014 (A-13-008):** The Finance and Audit Committee recommends that the Board approve a sixty (60) day continuation of the current FY 2013 operating budget while all revenue sources are confirmed. The new FY 2013 Budget will be presented in the August 2013 Finance and Audit Committee meeting. Proper motion was made and seconded. There were no further comments and the vote of approval was unanimous.

- b. **RTA-MTA Contract Renewal for Regional Transit Services (A-13-009):** The RTA and the MTA have a long standing working relationship over the years on regional transit programs. Each year, the RTA contracts with the MTA for regional transit services for Davidson/Rutherford County Relax & Ride services to Murfreesboro, TN and connecting bus services supporting the commuter train service for the Music City Star in Nashville, TN. The RTA desires to renew these contracts for the period of July 1, 2013 through June 30, 2014. We have two funding sources for the regional bus services and the connecting bus services creating the need for two contracts.

Contract #1 - Under the first contract for the regional bus service for the Davidson/Rutherford County Routes 84, 86, and 96, the RTA will pay the MTA for up to 60.57 hours of daily service at a rate of \$94.42 per hour, or an amount not to exceed \$1,452,631, covering 254 days of weekday transit service contained in the contract. This represents an increase of 3.0% compared to last year.

Contract #2 - Under the new contract for connecting bus services for the Davidson County service, the RTA will pay the MTA for 6.05 hours of daily service at a rate of \$94.42 per hour, or \$145,095, covering the 254 days of weekday transit service contained in the contract. This represents a 3% 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 MTA should fuel prices escalate above \$3.20 per gallon.

The Finance and Audit Committee recommends that the Board approve the modification of and extension of contract #1 and contract #2 increasing the rates RTA pays to MTA by 3%. Proper motion was made and seconded. There were no further comments and the vote of approval was unanimous.

- c. **Music City Star Liability Insurance Renewal (A-13-010):** Every year we go through the process of bidding again the renewal of our \$30 million liability

insurance coverage for the commuter rail. This coverage is due to expire June 30, 2013. The RTA provides the first \$1 million through our own supplemental insurance reserve account. The remaining \$29 million (per occurrence and \$58 million aggregate) excess policy is what we receive bids for each year. The current policy's total premium was \$468,250.

Our broker contacted all the insurance companies in the passenger rail insurance market and we received two (2) bids. The first bid was from Zurich Insurance, but they only quoted coverage for \$15 million / \$30 million aggregate which we considered non-responsive. The second bid was from a combination of Liberty International Insurance and XL Insurance companies. Both of these companies have excellent bond ratings and were evaluated based upon premiums quoted. The Liberty / XL bid is \$468,235 with Liberty covering the primary layer of \$18 million / \$36 million aggregate and XL as the second layer of \$11 million / \$22 million aggregate.

The Finance and Audit Committee recommends that the Board award \$29 million of liability insurance coverage (with a \$58 million aggregate) for the policy year from July 1, 2013 through July 1, 2014 to Liberty International and XL Insurance companies for a total premium of \$468,235. RTA will continue to provide the supplemental insurance reserve of \$1 million, making our total liability insurance coverage a total of \$30 million. Proper motion was made and seconded. There were no further comments and the vote of approval was unanimous.

VIII. WILSON COUNTY FAIR UPDATE: Lebanon Mayor Philip Craighead reported that the Fair Board met and agreed that they would take care of the supplement to any cost to RTA for running the Music City Star on both Saturdays of the Wilson County Fair. Currently, only one run is set, but there is some current discussion for sponsorship of an additional run. All costs for this service will be covered by the Fair Board and the sponsorships. Motion was made to authorize the staff to negotiate a contract with the City of Lebanon and the Wilson County Fair Board to run this service with the understanding that RTA would not incur any cost for this service. Motion was seconded and there was no discussion. The vote of approval was unanimous.

IX. GENERAL MANAGER'S REPORT: General Manager Lora Baulsir reminded members that there would not be a meeting in July.

a. RTA MASTER PLAN UPDATE (I-13-003): Ms. Baulsir noted the importance of laying out a vision of where we would like to see transit be over the next several years. As we have worked with Rutherford County on the increased level of service we have had many discussions about how to measure success on new routes and how to adjust routes that aren't as successful. We think a master plan will help us greatly with this process and we will be moving forward with this.

Over the past several months we have been working with the Nashville Area MPO and Transit Alliance to determine the best approach for the development of an RTA Master Plan. After discussions with the MPO, and considering the work they have programmed for updating the 2035 Long Range Transportation Plan (2040 Plan), we agreed it would be beneficial to coordinate our efforts.

Accordingly we are developing a proposed scope of work jointly with the MPO and are taking advantage of the work already being done.

One other thing that came up in discussions is the need for an RTA planning committee to help us through the process. We have talked with Chair Dean and have come up with a planning committee that will help us go through the scope of work before we send it out for bid and then help us through the process all along the way.

- X. **CHAIR'S REPORT:** Chair Karl Dean announced that is asking the following members to serve on the Planning Committee: Jo Ann Graves, Howard Bradley, Kim McMillan, David McCullough, Ed Cole, Ernest Burgess, Rogers Anderson, John Coombs, Bob Rial, Ken Moore, Paula Mansfield, Philip Craighead, and Liza Joffrion. JoAnn Graves will serve as chair.
- XI. **CEO'S REPORT:** CEO Paul Ballard reported that as of 9:00 a.m. this morning (June 19th) we have sold 718 tickets for the 4th of July train. We have about 200 left and they will be sold out by tomorrow. Continuing, he noted their excitement about the Wilson County Fair train and thanked Mayor Craighead for taking the lead on that along with Mayor Hutto. In closing, Mr. Ballard reminded the Board that there would be no committee meetings or board meeting in the month of July.
- XII. **OTHER BUSINESS:** Clarksville Mayor Kim McMillan reported that Jimmy Smith, Director of Clarksville and Montgomery Transit, had back surgery yesterday and will be out for a while, but plans to be back as soon as possible.
- XIII. **ADJOURNMENT:** The meeting was adjourned at 10:23 a.m.

Respectfully,

Paula Mansfield

Governor Appointee
RTA Secretary