



# Nashville MTA Board Meeting

## Tennessee Bankers Association

211 Athens Way | Nashville, TN 37238

June 22, 2023 | 2:30 p.m.

### Board Members:

Gail Carr Williams, Chair  
Jessica Dauphin

Janet Miller, Vice Chair  
Walter Searcy

1. **Call to Order**
2. **Roll Call**
3. **Approval of the May 25, 2023, MTA Board Minutes will be deferred to the July Board meeting**
4. **Public Comment**
5. **Information Only Items** – The following information is contained in the distributed Board packet for member review. There is no planned discussion of these items, but the staff is available for discussion should members have questions.
  - Monthly Financial Report Compared to Budget – Shelly McElhaney, Controller **M-I-23-017** **P. 1**
  - Monthly Operating Statistics – Andy Burke, Chief Operating Officer **M-I-23-018** **P. 4**
  - Upcoming Procurements Projects List **M-I-23-019** **P. 9**
6. **Consent Agenda Items**
  - Revolving Line of Credit Renewal – Shelly McElhaney, Controller **M-A-23-012** **P. 11**
  - MTA/RTA WeGo Ride Program Revenue Sharing Agreement – Shelly McElhaney, Controller **M-A-23-013** **P. 13**
  - StrIDe Memorandum of Understanding – Shelly McElhaney, Controller **M-A-23-014** **P. 15**
7. **Operations & Finance Committee – Walter Searcy, Chair**
  - WeGo Liability Insurance Renewal – Shelly McElhaney **M-A-23-015** **P. 16**
8. **New Initiatives & Community Engagement Committee – Janet Miller, Chair**
  - Nestor Facility Sewer Emergency Remediation Action – Patrick Hester, Facilities Manager **M-A-23-016** **P. 17**
  - Nestor Facility West Side Sewer Line Replacement – Patrick Hester, Facilities Manager **M-A-23-017** **P. 19**
9. **CEO’s Report – Stephen G. Bland, CEO**
10. **Chair’s Report – Gail Carr Williams, Chair**
11. **Other Business**
12. **Adjournment**

# Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Information Item     Committee Discussion Item     Committee Action Item     Board Discussion Item

Item Number:	M-I-23-0017	Meeting Date:	6/22/2023
Item Title:	Monthly Financial Report Compared to Budget		

## BACKGROUND:

Attached is the statement of operations for April 2023 compared to the budget and a balance sheet as of April 30, 2023.

Labor and fringes were unfavorable for the month, mainly due to the timing of how the budget was spread over the fiscal year. However, as mentioned in the March board meeting, between increased overtime due to operator shortages and the additional training costs we have mentioned were possible as it relates to filling open operator positions, we expect this trend to continue through the remainder of this fiscal year. While the active number of trainees is down from the 60 trainees back in March, we currently still have approximately 36 trainees in the process as we not only look to fill open operator positions for our current service levels but due to the ongoing labor challenges, we are already looking ahead at our needs for next year's planned service increases as well.

As discussed in previous months, Services Expense continues to run unfavorable to budget due to higher paratransit overflow expenses culminating from our ongoing labor shortages resulting in more WeGo Access trips being assigned to our third-party taxi providers. As planned, we did begin assigning more Access trips in-house with our Spring Service Changes and saw a slight decrease in April for overflow providers' expenses compared to previous months. We expect this trend to continue to improve for the remainder of the year as we transition more trips back in-house as our labor situation improves. Vehicle availability will also affect how quickly we can provide in-house services. Lastly, our liability insurance claims increased due to payments for outstanding bus accidents. This should level out for the remainder of the year unless we have other unforeseen accidents.

As of April 30, 2023, RTA owed Nashville MTA approximately \$243,000 for services provided to and from Rutherford County and management fees due. MTA also had an account payable to RTA of approximately \$24,700 for collected fares and WeGo Ride revenue sharing due.

## CURRENT STATUS:

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

## APPROVED:



Chief Financial Officer

6/22/2023

Date

**Metropolitan Transit Authority**  
**Statement of Operations Compared to Budget**  
For the Period Ending April 30, 2023

UNAUDITED

	Actual Month	Month Budget	Month End Variance	F / U	Prior Year Y-T-D	Actual Y-T-D	Budget Y-T-D	Y-T-D Variance	F / U	Annual Budget
<b>Revenue from Operations:</b>										
Passenger Fares	\$512,836	\$516,815	(\$3,979)	U	\$5,018,030	\$5,556,688	\$5,275,350	\$281,338	F	\$6,358,780
WeGo Access	59,992	63,220	(3,228)	U	560,198	507,456	579,650	(72,194)	U	708,490
Contract Revenues	217,784	231,412	(13,628)	U	2,038,749	2,304,088	2,385,616	(81,528)	U	2,877,040
Advertising	39,706	44,230	(4,524)	U	581,527	404,541	459,890	(55,349)	U	552,280
Other Non-Trans Revenue	103,040	112,595	(9,555)	U	999,833	1,111,316	1,129,220	(17,904)	U	1,362,200
<b>Total Operating Revenue</b>	<b>933,358</b>	<b>968,272</b>	<b>(34,914)</b>	<b>U</b>	<b>9,198,337</b>	<b>9,884,089</b>	<b>9,829,726</b>	<b>54,363</b>	<b>F</b>	<b>11,858,790</b>
<b>Federal/State/Local Income:</b>										
Local Assistance	3,110,900	3,110,900	0	F	51,835,900	61,610,900	61,610,900	0	F	61,610,900
State Assistance	0	0	0	F	5,170,200	5,314,300	5,170,200	144,100	F	5,170,200
Federal Assistance - CARES Act	3,926,130	2,030,000	1,896,130	F	415,078	4,041,943	2,080,000	1,961,943	F	4,071,610
<b>Total Assistance Income</b>	<b>7,037,030</b>	<b>5,140,900</b>	<b>1,896,130</b>	<b>F</b>	<b>57,421,178</b>	<b>70,967,143</b>	<b>68,861,100</b>	<b>2,106,043</b>	<b>F</b>	<b>70,852,710</b>
<b>Capital Revenue:</b>										
American Rescue Operating Reimbursement	0	0	0	F	14,000,000	14,000,000	14,000,000	0	F	24,427,585
Capital Operating Reimbursement	0	0	0	F	0	0	0	0	F	0
Capital ADA Reimbursement	0	0	0	F	0	0	0	0	F	0
<b>Total Capital Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>F</b>	<b>14,000,000</b>	<b>14,000,000</b>	<b>14,000,000</b>	<b>0</b>	<b>F</b>	<b>24,427,585</b>
<b>Total Revenue</b>	<b>\$7,970,388</b>	<b>\$6,109,172</b>	<b>\$1,861,216</b>	<b>F</b>	<b>\$80,619,515</b>	<b>\$94,851,232</b>	<b>\$92,690,826</b>	<b>\$2,160,406</b>	<b>F</b>	<b>\$107,139,085</b>
<b>Expenses from Operations:</b>										
Labor and Fringes	\$6,379,081	\$6,073,310	(\$305,771)	U	\$57,712,323	\$64,085,423	\$63,737,625	(\$347,798)	U	\$76,612,120
Services	1,179,866	949,189	(230,677)	U	8,530,890	11,044,923	9,905,344	(1,139,579)	U	11,969,110
Fuel	572,394	604,685	32,291	F	2,102,563	5,538,254	6,178,440	640,186	F	7,424,390
Parts, Materials and Supplies	464,291	517,485	53,194	F	4,336,777	5,314,158	5,410,060	95,902	F	6,539,610
Utilities	111,777	115,870	4,093	F	1,139,302	1,221,276	1,216,570	(4,706)	U	1,471,460
Casualty and Liability	248,632	193,520	(55,112)	U	1,979,160	2,410,513	2,071,980	(338,533)	U	2,457,720
Other	48,055	54,865	6,810	F	307,997	373,487	553,140	179,653	F	664,675
<b>Total Operating Expenses</b>	<b>9,004,096</b>	<b>8,508,924</b>	<b>(495,172)</b>	<b>U</b>	<b>76,109,012</b>	<b>89,988,034</b>	<b>89,073,159</b>	<b>(914,875)</b>	<b>U</b>	<b>107,139,085</b>
<b>Operating Surplus / (Deficit)</b>	<b>(\$1,033,708)</b>	<b>(\$2,399,752)</b>	<b>\$1,366,044</b>	<b>F</b>	<b>\$4,510,503</b>	<b>\$4,863,198</b>	<b>\$3,617,667</b>	<b>\$1,245,531</b>	<b>F</b>	<b>\$0</b>
Capital Grant Revenue	10,184,718		10,184,718	F	6,474,237	18,048,861		18,048,861	F	
Capital Grant Revenue -CARES Act	25,086		25,086	F	617,550	265,093		265,093	F	
Rental income - MCC Amortization	49,167		49,167	F	491,670	491,670		491,670	F	
GASB 87 Lease Interest Expense	(20,453)		(20,453)	U		(203,733)		(203,733)	U	
Depreciation and Amortization	(1,674,182)		(1,674,182)	U	(19,711,128)	(18,120,713)		(18,120,713)	U	0
<b>Surplus / (Deficit)</b>	<b>\$7,530,628</b>	<b>(\$2,399,752)</b>	<b>\$9,930,380</b>	<b>F</b>	<b>(\$7,617,168)</b>	<b>\$5,344,376</b>	<b>\$3,617,667</b>	<b>\$1,726,709</b>	<b>F</b>	<b>\$0</b>

# Metropolitan Transit Authority

## Comparative Balance Sheets

	Month Ended April 30, 2023	Month Ended June 30, 2022
	(unaudited)	(audited)
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$3,281,745	\$3,780,301
Receivables from federal, state and local government	5,020,136	1,483,679
Accounts receivable	806,333	1,513,979
Materials and supplies	3,267,073	3,288,783
Prepaid expense and other	1,478,176	1,651,572
Pension & OPEB Deferred Outflow	34,548,339	34,548,339
Total Current Assets	48,401,802	46,266,653
<b>PROPERTY AND EQUIPMENT</b>		
Land	14,733,025	14,733,025
Building, shelter and benches	119,529,896	118,892,706
Revenue equipment and parts	198,384,396	187,050,821
Office furniture and equipment	7,054,214	6,377,272
Other	12,035,357	5,654,722
	351,736,888	332,708,546
Less: Accumulated Depreciation	(199,091,893)	(180,956,798)
Total Property and equipment, net	152,644,995	151,751,748
<b>OTHER ASSETS</b>		
North Nashville Property (Lease)	7,063,765	7,063,765
Cash and investments for self-insurance and other	902,475	731,607
	7,966,240	7,795,372
<b>TOTAL ASSETS</b>	<b>\$209,013,037</b>	<b>\$205,813,773</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$2,978,649	\$3,158,951
Accrued expenses	6,963,236	7,733,165
Deferred revenue	183,834	99,427
Note Payable	0	0
Total Current Liabilities	10,125,719	10,991,543
<b>NON-CURRENT LIABILITIES</b>		
Deferred Revenue	5,705,775	6,197,445
North Nashville Lease Liability	7,049,599	7,049,599
Net Pension Liability	4,206,838	4,206,838
Pension & OPEB Deferred Inflows	24,580,424	24,580,424
Net other postemployment benefits obligations	79,108,586	79,108,586
<b>NET ASSETS</b>		
Invested in capital assets	146,939,220	145,554,303
Reserve for capital purchases	552,475	381,607
Unrestricted	(74,599,975)	(77,403,145)
Current Year Surplus / (deficit)	5,344,376	5,146,573
Total Net Assets	78,236,096	73,679,338
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$209,013,037</b>	<b>\$205,813,773</b>

	Current	> 30 days	> 60 Days	> 90 days	Total
Accounts Receivable	\$710,955	\$28,213	\$19,858	\$47,307	\$806,333
	88.2%	3.5%	2.5%	5.9%	100.0%
Accounts Payable	\$2,441,190	\$327,484	\$170,204	\$39,771	\$2,978,649
	82.0%	11.0%	5.7%	1.3%	100.0%

# Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Information Item     Committee Discussion Item     Committee Action Item     Board Discussion Item

Item Number:	M-I-23-018	Meeting Date:	6/22/2023
Item Title:	Monthly Operating Statistics		

## BACKGROUND:

Attached are monthly operating statistics through April 2023.

We continue to make significant progress in recruiting and training new bus operators. Even with the modest increase in service in April, our operator requirement increased by 10. Our recruiting team will continue to bring in qualified candidates in anticipation of our significant service expansion in Fiscal Year 2024.

Maintenance recruitment remains challenging, especially for diesel maintenance technicians (bus mechanics). We are working with 'Skilled Workforce,' a staffing agency, to assist in recruiting mechanics, and continue to focus on building out our in-house apprenticeship program to give staff in other positions the skills needed to be a mechanic (currently, seven apprentices are enrolled, and we are planning to add an additional six apprentices per year). In addition, we are looking to increase our partnerships with local diesel colleges to create a more robust hiring pipeline. With all these efforts, this continues to be an area staff focus on as this is not just a WeGo concern but also a national industry issue regarding skilled labor in the workforce.

With respect to the fleet, all fourteen (14) new articulated buses from New Flyer are in service, and we are in the process of accepting delivery of twenty (20) standard buses from Gillig. The six (6) Chevrolet buses purchased for Access last year are also in service, and the eight (8) additional small buses purchased using emergency procurement procedures several months ago are at the dealer. These will require system setup work before we can place them in service.

One area of note is the increase in collisions in recent months. The total number of collisions in March and April was approximately double the historical averages over the last two years. These collisions are generally very minor in nature but can be disruptive to vehicle availability. Our Safety team is reviewing collision data for trends and will continue working with our Operations and Training staff to identify preventative interventions. Nick Oldham, our Chief Safety and Security Officer, will come to the Board in the coming months with a review of the initiatives and findings. It is also essential to consider this data in the context of our recent successes in hiring and the resulting relatively inexperienced workforce. Of the accidents in March and April of this year, nearly half involved operators either still in training or with less than one year of service (these operators comprise less than 30% of the driver workforce).

## CURRENT STATUS:

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

## APPROVED:



Chief Operating Officer

6/22/2023

Date

## Operations Dashboard Report

	April-2023	April-2022	Pct. Change	Goal	Indicator
<b>Ridership</b>					
Bus Ridership	677,462	554,216	22.2%		
Access Ridership	29,505	27,174	8.6%		
Total Ridership	706,967	581,390	21.6%	700,000	●
Percentage of Pre-Pandemic Ridership	84.3%	69.3%	15.0%	85.0%	▲
<b>Productivity &amp; Efficiency</b>					
Bus Passengers per Revenue Hour	16.38	13.42	22.1%	16.00	●
Access Passengers per Revenue Hour	1.68	1.73	-2.9%	1.75	▲
Cost Per Scheduled Revenue Hour	\$159.34	\$147.27	8.2%	\$141.46	◆
<b>Safety</b>					
Total Collisions per 100,000 miles	8.1	5.4	50.1%	4.8	◆
Preventable Collisions per 100,000 miles	4.2	2.8	51.3%	1.6	◆
<b>Service Quality</b>					
Bus Trip Completion	99.80%	99.65%	0.15%	99.75%	●
Bus On-Time Performance	81.1%	85.8%	-4.7%	85.0%	▲
Access On-Time Performance	92.3%	92.4%	0.0%	92.0%	●
<b>Maintenance</b>					
Bus Miles Between Road Calls	8,348	6,465	29.1%	6,000	●
Access Miles Between Road Calls	18,041	11,538	56.4%	18,000	●
<b>Customer Care</b>					
Bus Passengers per Complaint	3,642	4,045	-10.0%	4,000	▲
Access Passengers per Complaint	347	372	-6.8%	400	◆
Percent of Calls Answered	95.0%	94.8%	0.3%	95.0%	●
<b>Staffing</b>					
% of Operator Positions Filled	98.4%	91.1%	7.3%	95.0%	●
% of Maintenance Positions Filled	78.5%	85.6%	-7.1%	95.0%	◆
<b>Customer Amenities</b>					
% of Stops with Shelters (including Central)	18.0%	16.9%	1.1%	18.0%	●
% of Boardings at Covered Stops (including Central)	72.1%	71.4%	0.6%	73.0%	▲

Exceeding Goal

Within 10% of Goal

More than 10% off Goal

## Operations Dashboard Report

	FY2023 April-2023	FY2022 April-2022	Pct. Change	Goal	Indicator
<b>Ridership</b>					
Bus Ridership	6,430,182	4,898,689	31.3%		
Access Ridership	297,532	250,899	18.6%		
Total Ridership	6,727,714	5,149,588	30.6%	7,000,000	▲
Percentage of Pre-Pandemic Ridership	82.6%	63.3%	19.4%	85.0%	▲
<b>Productivity &amp; Efficiency</b>					
Bus Passengers per Revenue Hour	15.34	12.81	19.8%	16.00	▲
Access Passengers per Revenue Hour	1.72	1.67	3.0%	1.75	▲
Cost Per Scheduled Revenue Hour	\$159.63	\$144.68	10.3%	\$141.46	◆
<b>Safety</b>					
Total Collisions per 100,000 miles	5.2	4.5	13.7%	4.8	▲
Preventable Collisions per 100,000 miles	2.4	2.3	6.9%	1.6	◆
<b>Service Quality</b>					
Bus Trip Completion	99.66%	99.56%	0.10%	99.75%	▲
Bus On-Time Performance	84.7%	87.9%	-3.3%	85.0%	▲
Access On-Time Performance	92.3%	93.0%	-0.7%	92.0%	●
<b>Maintenance</b>					
Bus Miles Between Road Calls	7,031	5,459	28.8%	6,000	●
Access Miles Between Road Calls	20,987	18,508	13.4%	18,000	●
<b>Customer Care</b>					
Bus Passengers per Complaint	4,813	4,212	14.3%	4,000	●
Access Passengers per Complaint	335	417	-19.8%	400	◆
Percent of Calls Answered	94.5%	95.0%	-0.5%	95.0%	●
<b>Staffing</b>					
% of Operator Positions Filled	93.4%	96.4%	-3.0%	95.0%	▲
% of Maintenance Positions Filled	82.6%	85.5%	-2.9%	95.0%	◆
<b>Customer Amenities</b>					
% of Stops with Shelters (including Central)	17.7%	16.4%	1.3%	18.0%	▲
% of Boardings at Covered Stops (including Central)	72.0%	71.6%	0.4%	73.0%	▲

Exceeding Goal

Within 10% of Goal

More than 10% off Goal

# Operations Dashboard Glossary

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



# Operations Dashboard Glossary

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

# Nashville Metropolitan Transit Authority

*of Nashville & Davidson County, Tennessee*

## List of Upcoming Procurement Projects

Meeting Date: 6/22/2023

Item #: M-I-23-019

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### Project Name: MTA & DTO Legal Services (RFP)

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

### Project Name: ADA

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

### Project Name: Life Insurance

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

### Project Name: Parking Garage Management Services

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

### Project Name: Pre & Post Vehicle Inspection Services

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

### Project Name: Express Bus Services (RTA)

- **Brief Description:** Contract to provide express transportation services within the RTA 10-county region.
- **Anticipated Publish Date:** January 2024
- **Estimated Project Value:** TBD

**CURRENT STATUS:**

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

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

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**APPROVED:**

*Denise Richardson*

*Director of Procurement & Business Diversity*

**6/22/2023**

*Date*

# Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

## Board Action Item

Item Number:	M-A-23-012	Meeting Date:	6/22/2023
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 the capital to operating to pay preventive maintenance (PM) and paratransit (ADA) operating costs. As you know, for FY2022 and FY2023 budget years, the Board approved using the American Rescue Plan (ARP) 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, with the ARP funding now depleted, the FY2024 proposed operating budget reflects, once again, the need to convert Section 5307 formula capital funds to pay PM and ADA operating costs. Consequently, there remains a need 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 upcoming fiscal year. 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 on June 30, 2023.

You will recall last year, the Federal Reserve (Fed) created an agency, the Alternative Reference Rates Committee (ARRC), which directed to all banks that the LIBOR interest rate index would be phased out in favor of indexes that would be more regulated or with greater market support such as the Prime rate and SOFR (Secured Overnight Funding Rate) and that LIBOR cessation must 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 last year went through the conversion process from LIBOR to an alternative rate. Since we were in an environment of increasing interest rates by the Fed due to inflationary pressures, last year's line of credit was based upon Prime minus 1.35% and the same non-use fee of 0.2%.

With the Prime rate being a lagging indicator of interest rates that only changes when the Fed adjusts interest rates and SOFR being a leading indicator in that it bakes in anticipated rate changes before Fed adjustments and the fact that we are still in an environment of increasing interest rates by the Fed due to inflationary pressures, the new line of credit will again be based upon Prime with the same rate as the expiring line at Prime minus 1.35% and the same non-use fee of 0.2%. These expenses have been included in the proposed annual budget for FY2024.

We will again be using a tiered method setting up the initial line of credit at \$7.5 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 FY2024 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, 2024.

**RECOMMENDATION:**

Based on this explanation, the staff requests that the Board give the CEO the authority to enter into a new one-year line of credit with Fifth Third Bank from July 1, 2023, through June 30, 2024. The line of credit will start at a first tier of \$7.5 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 will be used as needed and repaid as grant funding is received. This will allow Nashville MTA to continue operating and allow time for the grant monies to be accepted.

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**APPROVED:**

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*Board Secretary*

**6/22/2023**

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*Date*

# Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

## Board Action Item

Item Number:	M-A-23-013	Meeting Date:	6/22/2023
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 predict costs and revenues for annual budgeting better;
- 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 strongly prefer a consolidated pass program where 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 compensate 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" 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.

The program continues to grow, with 36 businesses now utilizing the program, which is more than doubled from the 15 we had in the program through the second year ending June 30, 2022. The revenue split calculation for the program will be done at the end of June once all ridership for both agencies has occurred. The staff's intent to continue and promote this program will require a renewal of this agreement since it is due to expire on June 30, 2023.

Historically, MTA and RTA have shared separate revenue related to the State WeGo Ride program. Since this new WeGo Ride Program framework for how revenues are shared between MTA and RTA is very similar to how the revenues are shared under the State program, there is no longer the need to have two separate agreements. Consequently, the State program will be folded into the revenue sharing under this agreement.

**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, 2023, through June 30, 2024, now including State employee ridership, 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 annually to assess if any changes should be made to the agreement in the future.

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**APPROVED:**

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*Board Secretary*

**6/22/2023**

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*Date*

# Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

## Board Action Item

Item Number:	M-A-23-014	Meeting Date:	6/22/2023
Item Title:	StrIDe Memorandum of Understanding Program Year 2023-2024		

### BACKGROUND:

The StrIDe program has been a successful partnership since it was formed in the Fall of 2014 between Metropolitan Nashville Public Schools (MNPS) and the Nashville MTA with the support of the Nashville Mayor's Office, Metropolitan Council, and the Mayor's Youth Council. It was created to offer and expand year-round transit to all MNPS high school students traveling to and from school. It also provided opportunities for participating in after-school activities, accessing employment, or exploring other events that were perhaps impossible in the past due to unreliable or affordable mobility options. In the 2015-16 school year, the program added MNPS middle school students in grades five through eight who attend an out-of-zone school not served by a yellow school bus and have been given permission by a parent or guardian to participate in the program. For the FY2022-23 School Year, MNPS Faculty and Staff were added to the program.

This year-round program provides access to transit to more than 23,000 registered high school-age student riders and nearly 700 middle school enrollees. In a typical school year prior to the pandemic, we provided transportation for approximately 5,500 students who took advantage of the StrIDe program. While StrIDe usage is slowly recovering, we transported about 2,500 students this past school year. MNPS has typically funded the StrIDe program at \$750,000 through the MNPS budget, with the cost per swipe being \$0.70 per ride and \$3.70 for eligible WeGo Access students. MNPS has expressed wanting to renew this program for the coming school year.

### RECOMMENDATION:

Staff requests the Board approve the renewal of the Memorandum of Understanding between the Nashville MTA and the Metropolitan Board of Public Education for transportation services for registered MNPS high school students in grades nine through 12 and MNPS middle school students in grades five through eight who qualify. MNPS will cover the cost of StrIDe card cardstock. The contract will remain in effect through June 30, 2024, at a reimbursement rate of \$0.70 per bus trip and \$3.70 for WeGo Access to Nashville MTA.

### APPROVED:

\_\_\_\_\_  
*Board Secretary*

6/22/2023

\_\_\_\_\_  
*Date*



# Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

## Board Action Item

Item Number:	M-A-23-015	Meeting Date:	6/22/2023
Item Title:	WeGo Liability Insurance Renewal		

### BACKGROUND:

Every year, our WeGo Public Transit (WeGo) insurance broker shops the insurance market to renew the Nashville MTA's \$3 million liability policy with a \$100,000 deductible per occurrence. This year is our first year utilizing R.J Gallagher as our broker, whom the Board approved a few meetings back as a result of our RFP for insurance brokers as our existing broker contract was expiring. Gallagher made inquiries across their nationwide network and came back with three quotes for our liability coverage.

We received two quotes, one from our incumbent, *RLI Insurance* (RLI), and one from Chubb Insurance, consistent with our standard coverage with a \$3 million limit and a \$100,000 deductible per occurrence. We also received a quote from Gemini Insurance, but their quote raised our deductible to \$250,000 per occurrence. Based on the quotes received, Chubb's premium was lower than RLI, and we are consequently selecting Chubb for our liability coverage. The per-vehicle type annual rates for liability coverage compared to our current policy are as follows:

<u>Liability Coverage</u>	<u>Current RLI (2022-23)</u>	<u>Chubb (2023-24)</u>
Transit Bus	\$5,245	\$3,540
Transit Van	\$3,671	\$2,478
Service Vehicle	\$2,589	\$1,745

The comparison below of total premiums incurred is based on the number of vehicles expected to be on hand July 1, 2023, by type of vehicle as quoted above:

<u>Liability Coverage</u>	<u>Current RLI (2022-23)</u>	<u>Proposed Chubb (2023-24)</u>
Premiums	\$1,593,227	\$900,000

This represents a 43.5% decrease compared to 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 Chubb Insurance for our liability coverage for the period effective July 1, 2023, to June 30, 2024, for \$3 million in coverage with a \$100,000 deductible for a premium of approximately \$900,000.

### APPROVED:

\_\_\_\_\_  
*Board Secretary*

6/22/2023

\_\_\_\_\_  
*Date*

# Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

## Board Action Item

Item Number:	M-A-23-016	Meeting Date:	6/22/2023
Item Title:	Nestor Facility Sewer Emergency Remediation Actions		

### BACKGROUND:

The Nestor Facility (Nestor) is the agency's primary location for operations and vehicle maintenance and is the reporting and work location for over 500 employees. The facility is served by two sanitary sewer lines that connect to a 48" line that diagonally traverses the Nestor property. This line, in poor condition, has been determined to be the source of Nestor's ground subsidence, resulting in an expanding sinkhole adjacent to the main bus travel lane at the facility's west side. On September 7, 2022, the 48" line ceased functioning due to continued subsidence, forcing Nestor to rely on direct pumping and interim measures to maintain sanitary conditions.

The CEO authorized an emergency to address the conditions. The first action was an emergency procurement to replace the facility's east-side sewer line and establish a new connection to the municipal line on Nestor Street. Bid documents were issued on September 9, 2022, and ten mid-TN-based water and wastewater specialty contractors, including four certified DBE contractors, were contacted regarding the bid and the September 12, 2022, scheduled site tour. Five firms, including two DBEs, participated in the site tour. Two firms submitted proposals on the September 19<sup>th</sup> due date: L & G Construction (DBE) - \$275,910 and Jarrett Builders - \$334,150. L & G's bid was within 5% of the project's \$289,677 estimate and was deemed fair and reasonable. The project was substantially completed, with the east side line restored to entire operations in February 2023.

Concurrent with the action to replace the east side sewer line, Keller North America (Keller), a national geotechnical contractor specializing in remediating subsurface conditions, was issued a \$5,800 sole source contract to conduct a site investigation to recommend options to stabilize the soil surrounding the 48" sewer line. Keller provided proprietary recommendations on September 30 for review by CDM Smith, the agency's on-call engineering firm that developed the sewer line replacement project specifications. Following the agency's discussions with Metro Water Services, CDM Smith, and Keller, all parties agreed that the most appropriate course of action was to inject a concrete-based grout into the soil to solidify the ground, preventing further movement of the sewer line to stop the expansion of the sink hole. Pursuant to the CEO's emergency declaration and following scope and contract negotiations, Keller was issued a sole source contract for \$453,692 in February 2023. Work began on February 14, 2023, and was completed on March 10, 2023.

Given that Keller's recommendations were proprietary, consideration was given to fully redesigning a solution to facilitate a competitive procurement. However, given the time that would have been required to produce detailed design documents and conduct a solicitation, the need to expedite a solution, Keller's ability to self-perform the work, and the significant consolidation in the geotechnical contracting industry that has occurred over the last several years with Keller acquiring the majority of the formerly independent firms, led the agency to conclude that in this instance, a sole source procurement would be the most efficient means to stabilize the conditions at Nestor.

Future non-emergency actions to complete the remediation include a contract award to replace the facility's west side sewer line, a contract to cap and abandon the 48" line, and a surface and pavement restoration of the sinkhole area to return the Nestor lot to full use. These services will be solicited using the agency's standard procurement policies and procedures.

The contracts to L & G Construction and Keller were funded using a combination of federal, state, and local funds.

**RECOMMENDATION:**

Staff requests the Board's concurrence in the CEO's emergency declaration and subsequent actions to remediate the conditions.

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**APPROVED:**

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*Board Secretary*

**6/22/2023**

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*Date*

# Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

## Board Action Item

Item Number:	M-A-23-017	Meeting Date:	6/22/2023
Item Title:	Nestor Facility West Side Sewer Line Replacement		

### BACKGROUND:

The Nestor Facility (Nestor) is served by two sewer lines located at the east and west sides of the facility. The lines were formerly connected to a 48" sanitary sewer main that diagonally traversed the Nestor property and failed on September 7, 2022. The east sideline has been replaced under a separate emergency contract issued in September 2022.

The Invitation to Bid to replace Nestor's west side sewer line was published on April 11, 2023, on the agency's Transit Talent and B2G websites. The project included a 5% DBE participation goal, and the solicitation was sent directly to 16 mid-TN-based DBE firms listed in the TN Unified Certification Program (TNUCP) directory as performing specialty foundation and underground work. Six firms participated in the April 21, 2023, pre-bid conference. Four bids were received on the May 11, 2023, due date:

- BCMG, LLC (BC Mason Group) (DBE) \$355,318.51
- Jarrett Builders \$656,500.00
- L&G Construction (DBE) \$698,000.00
- Pipeworks Plus (WBE) \$969,300.00

With BCMG's bid being 25% below the project's \$473,000 estimate, the contractor was asked to verify its bid for compliance with Davis Bacon requirements, adherence to the specifications, and ability to obtain materials at the price bid. The contractor satisfactorily answered all questions. BCMG recently satisfactorily completed a similar sewer main installation for a battery manufacturing plant in Clarksville and has performed several projects for the agency, including sidewalk and stop enhancements at various locations, including the Fairgrounds, and is completing a \$198,000 project to remove grade, and structurally secure a former subsurface truck repair area at the Myatt facility. BC Mason Group is also part of the team providing construction administration services for the North Nashville Transit Center project.

### RECOMMENDATION:

Staff requests the Board authorize the Chief Executive Officer to enter a contract with BCMG, LLC (BC Mason Group) in the amount of \$355,318.51 and a duration of 180 days for construction services to replace the Nestor Facility westside sewer line. Due to the nature of this project, specifically with unknowns associated with subsurface conditions, staff also requests the Board authorize a contingency of 20% (\$71,064) for a total project budget of \$426,382.51. Funding for this project is provided through the annual State of annual facilities state of good repair capital program with Federal 5339 grants and matching state and local funds.

### APPROVED:

\_\_\_\_\_  
*Board Secretary*

6/22/2023

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*Date*