

NASHVILLE METROPOLITAN TRANSIT AUTHORITY
Board of Directors Meeting

August 29, 2024

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, Nashville, TN 37228, on Thursday, August 29, 2024.

II. **Roll Call of Persons Present:**

Gail Carr Williams, Chair	Debbie Frank, Deputy CEO of Growth & Dev.
Jessica Dauphin, Board Member	Amanda Vandegrift, Deputy CEO of Fin. & Admin.
Aron Thompson, Board Member	Andy Burke, COO
Margaret Behm, Board Secretary	Vince Malone, COSA
Stephen Bland, CEO	Carol Rokos, Director of Maintenance
Monica Howse, Sr. Exec. Asst. & Board Liaison	Chelsea Arvin, Scheduling Supervisor

A quorum was established, and Board Chair Gail Carr Williams called the meeting to order at 2:32 p.m.

III. **Approval of Minutes:** Jessica Dauphin made a motion to approve the July 25 Nashville MTA Board minutes. Aron Thompson seconded the motion, and the Board unanimously approved the minutes.

IV. **Public Comments:** Board Chair Carr Williams opened the floor for public comments. The public was reminded that comments were limited to two minutes. The following members of the public gave public remarks:

- Amanda Sawyer Turner

V. **Informational Items:** The following items were presented for the board members' review:

- Monthly Operating Statistics – No questions
- Upcoming Procurement Projects List – No questions

VI. **Consent Agenda Items (deferred to the July Board meeting):**

- There are no consent agenda items this month.

VII. **Operations & Finance Committee Report:** Chair Dauphin introduced the following item for discussion:

a. **Monthly Financial Report Compared to Budget (OF-D-24-007)** Deputy CEO of Finance & Administration Amanda Vandegrift presented the following report:

Ms. Vandegrift provided a summary of the preliminary statement of operations for the month of June 2024 compared to the approved fiscal year FY2024 budget and the unaudited balance sheet as of June 30, 2024. Compared to the approved 2024 budget, preliminary operating revenues decreased by \$.5 million or .4% to a total of \$120.1 million. Operating expenses decreased by \$.9 million or .8% to a total of \$119.4 million. Overall, the positive performance of operating expenses relative to budget more than offset the negative performance of operating revenues compared to budget, resulting in a positive net position for the fiscal year. The audit may result in some final adjustments to these figures, but we anticipate these to be nominal.

WeGo is exploring new methods to communicate its financial performance and trends. This report includes the standard income statement and balance sheet for the month and fiscal year

to date. Additionally, we aim to highlight key financial trends by breaking down traditional line items (such as Labor and Fringes, Services, Fuel, etc.) and categorizing them according to major business focus areas:

- ↓ **Passenger Revenues, \$5 million (4.7%):** This decrease was anticipated with WeGo's successful launch of QuickTicket, which included the implementation of a fare-capping policy where riders never pay more than \$4 a day/\$65 a month. As more riders take advantage of fare capping, we are realizing this reduction in net revenue.
- ↑ **Other Operating Revenues, \$1 million (4.8%):** This increase is primarily related to post-pandemic growth in rental revenues for parking in the garage at the Elizabeth Duff Transit Center at WeGo Central.
- ↑ **Fixed-route Bus Operations, \$4 million (1.9%):** This increase is primarily related to open operator positions that remained unfilled in FY2024. With these open positions, fixed-route services were fulfilled using existing operators at an overtime rate, increasing overall fixed-route bus costs compared to budget. WeGo continues to manage industry-wide labor shortages where budget levels reflect the anticipated costs needed to fully staff fixed-route bus services.
- ↑ **Paratransit Operations, \$1 million (8.5%):** This increase is primarily related to ongoing industry-wide labor shortages. WeGo used more third-party paratransit providers than budgeted in FY2024 to prioritize fixed route needs.
- ↓ **Asset Maintenance, \$1.8 million (6.3%):** This decrease is primarily related to ongoing industry-wide labor shortages for mechanics, general helpers, and other asset maintenance positions.
- ↓ **Employee Benefits, \$1 million (2.6%):** This decrease is primarily related to lower-than-anticipated medical expenses for the fiscal year.
- ↑ **Safety and Security \$0.3 million (5.2%):** This increase is primarily related to increased costs for new fixed routes and paratransit operator training.
- ↑ **Administration, \$0.5 million (6.8%):** This increase is primarily related to auto liability expenses exceeding anticipated budget projections for the fiscal year. This was primarily associated with one major August 2023 bus accident.

Next month, WeGo's Actuaries will provide final reports on Worker's Comp, Medical, and Auto/General Liability. Based on preliminary information received to date, adjustments could reduce expenses by up to \$0.5 million, which is not yet reflected in this preliminary statement.

As of June 30, 2024, the Regional Transportation Authority of Middle Tennessee (RTA) owed Nashville MTA approximately \$214,449 for services provided to and from Rutherford County, management fees, and back office shared expenses related to the QuickTicket fare collection system. In turn, Nashville MTA owes RTA approximately \$45,822 for fares collected and WeGo Ride Revenue sharing due.

- a. **Quarterly Performance Report (OF-D-24-008):** Scheduling Supervisor Chelsea Arvin presented the following item for discussion:

The Quarterly Route Performance Report for April, May, and June 2024 was provided in the board packet. Ms. Arvin noted a 4% increase in ridership on Nashville MTA services from the previous quarter, with levels slightly above pre-pandemic figures for the first time.

Significant service changes began on March 31, 2024, centered around the Dr. Ernest Rip Patton, Jr. North Nashville Transit Center. These changes aimed to expand service in the

North Nashville and Bordeaux areas and create new connections that avoid downtown transfers. Although the transit center was not yet operational, new services were provided from temporary bays on 25th Avenue North, including a substantial increase in service hours for routes in the North Nashville area:

- **Route 9** Metrocenter was extended to the transit center with frequency improvements.
- **Route 14** Whites Creek was extended to the transit center with frequency improvements and now serves areas of Bordeaux previously served by Route 22 Bordeaux.
- **Route 22** Bordeaux now terminates at the transit center, with frequency improvements.
- **Route 41** Golden Valley does not serve the transit center but now operates as a local service from 6 a.m. to 6 p.m. on weekdays instead of a local/express peak-only service.
- **Route 42** St. Cecilia/Cumberland now operates as a bi-directional service on the northern half of the previous routing, with frequency improvements.
- **Route 71** Trinity is a new crosstown service connecting the North Nashville Transit Center to Dickerson Pike, Gallatin Pike, and areas along Trinity Lane.
- **Route 75** Midtown now serves some areas previously served by Route 42, with frequency improvements.
- **Route 77** Thompson/Wedgewood now serves County Hospital Road, which was previously served by Route 22, with frequency improvements.

Due to significant changes in routes, staff observed major shifts in ridership patterns. Some areas now have different or improved services compared to before, so it's important to evaluate ridership changes on these routes as a system rather than individually, especially when comparing with historical data. For the eight routes that underwent major changes in the spring, ridership increased by nearly 36% compared to the previous year, reflecting a positive initial response. However, usage patterns and ridership are expected to continue evolving over the next few years.

- b. **Vehicle Maintenance Audit for 2023 (OF-D-24-009)**: Director of Maintenance Carl Rokos presented the following item for discussion:

In November 2015, the first vehicle 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, and findings from that study indicated that annual audits were needed to track maintenance performance over time. As part of our overall fleet maintenance improvement program, we commission yearly audits of the fleet to track progress and identify areas of improvement.

Based on the initial results from the 2015 audit, the maintenance department has initiated multiple strategies for enhancement, including manpower shifts, equipment purchases, documentation processes, and training updates.

This is the ninth 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 chosen at random, the same process used during previous audits. In addition, an audit of Gray Line, a contractor to WeGo, was conducted for the third time.

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 yearly progress results and next steps for improvement in bus maintenance.

VIII. **New Initiative & Community Engagement Committee Report:** There were no NICE Committee discussions or action items this month.

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

1. CEO Bland introduced Deputy CEO of Growth & Development Debbie Frank, Deputy CEO of Finance & Administration Amanda Vandegrift, and Human Resource Director Mark Fleming as the newest senior leaders joining the WeGo team.
2. There has been ongoing collaboration with the City's East Bank Event Planning Team and the Tennessee Titans to improve public transportation options for large events at Nissan Stadium.
3. Post-approval of a period of exclusive negotiation with Holladay Ventures for a potential transit center on Upper Dickerson Pike, a kickoff meeting with the developer was held.
4. WeGo continues to advance negotiations on a joint development project on the RTA property at Donelson Station with the development group HG Hill/Southeast Ventures.
5. Ms. Howse will be polling members to identify a preferred date for us to conduct a Zero Emissions Fleet Transition Plan workshop. We are working with Stantec on developing this plan and have reached a point where Board engagement is appropriate.
6. CEO Bland reported that both Dan and Katie Freudberg and Hannah Schaeffer had their babies, and all are doing quite well.

X. **Chair's Report:** Board Chair Carr Williams presented the following report:

Chair Carr Williams warmly welcomed the new members of the WeGo team: Ms. Frank, Ms. Vandegrift, and Mr. Fleming. She wished them success in their new roles.

Chair Carr Williams also expressed her excitement and appreciation of the grand opening of the Dr. Ernest Rip Patton Jr. North Nashville Transit Center, noting the impressive community turnout despite the 100-degree weather. The event received positive feedback from both community members and leaders.

In conclusion, she thanked everyone for their support and participation in making that event a success.

XI. **Other Business:**

- a. **Adoption of a Free Fare Day for Election Day, Tuesday, November 5, 2024 (M-A-24-026)**
General Counsel Margaret Behm presented the following item for action:

Historically, the Metropolitan Transit Authority of Nashville and Davidson County has periodically offered free fare days for special events, promotional opportunities, or other milestones that are important to Davidson County as a whole – often at the request of various community groups. Recent examples include the Inauguration of Nashville Mayor Freddie O'Connell and the dedication of the Diane Nash Plaza at the Davidson County Courthouse Square.

At the July meeting of the Nashville MTA Board, members present expressed the unanimous opinion that we should extend another free fare day for the upcoming general election on Tuesday, November 5, 2024.

Based on the direction of the Board, it was recommended that Tuesday, November 5, 2024, be designated as a free fare day in Davidson County for all services operated by the Nashville MTA, including both fixed route and WeGo Access paratransit service. Free fare is not extended to either the RTA service or the WeGo Link first mile/last mile connector program, where regular fares will remain in effect.

Mr. Aron Thompson made a motion to approve the Adoption of a Free Fare Day for Election Day, Tuesday, November 5, 2024. Chair Carr Williams seconded the motion, and the Board unanimously approved it.

- b. **Annual Review of Board Ethics & Conflict of Interest (M-I-24-027)**: Ms. Behm presented and reviewed the Code of Ethics and applicable procurement policies and procedures with the Board.

In 2006, the Tennessee General Assembly required municipalities to adopt a code of ethics by July 1, 2007, which applies to boards, commissions, authorities, corporations, and other entities created or appointed by the municipality. The legislation permitted such entities to adopt model codes developed by the Municipal Technical Advisory Services (MTAS) or the County Technical Advisory Service (CTAS) as an alternative to drafting a policy of their own.

The Nashville MTA adopted the MTAS model code of ethics on June 19, 2007, following a recommendation from Ms. Behm. The code of ethics is reviewed with new board members and periodically with the full Board. A copy of the code of ethics was distributed to the board members present at the meeting.

- XII. **Adjournment**: With no further business, Vice Chair Miller moved to adjourn the meeting, which adjourned at 3:39 p.m.

Attested:

Gail Carr Williams
Chair

Margaret L. Behm
Secretary