



AGENDA
REGIONAL TRANSPORTATION AUTHORITY
BOARD MEETING

10:00 AM WEDNESDAY, March 18, 2009
1101 Kermit Drive, First Floor
Nashville, Tennessee

1. Call to Order – Establish Quorum
2. Approval of February 18, 2009 Board Minutes
3. Public Comments
4. East Corridor Committee Report – Roger Farley
5. Marketing Committee Report – Mayor Philip Craighead
6. Operations Committee Report – Mayor Howard Bradley
 - a. Parsons Brinckerhoff Technical services A-09-008
 - b. RSI Contract Renewal A-09-009
7. Finance & Audit Committee Report – Mayor John Schroer
 - a. Fuel Partnership Proposal A-09-010
8. Chair's Report – Mayor Rogers Anderson
9. Chief Administrative Officer's Report – Lora Baulsir
10. CEO's Report – Paul J. Ballard
11. Executive Session (re: Litigation) – Todd Presnell
12. Other Business
13. Adjournment



MINUTES
REGIONAL TRANSPORTATION AUTHORITY
February 18, 2009

- I. **Call to Order:** The regular meeting of the Regional Transportation Authority Board of Directors was held in the first floor conference room at 1101 Kermit Drive, on February 18, 2009. A quorum was established and the meeting was called to order at 10:24 a.m. by Chairman Rogers Anderson.
- II. **Approval of Minutes:** Chair Rogers Anderson stated that he would entertain a motion to approve the minutes of the January 21, 2009 meeting. The vote of approval was unanimous and the minutes were adopted.
- III. **Public Comments:** There were no public comments.
- IV. **Marketing Committee Report:** Chair Philip Craighead reported that there were no action items for the board this month. He gave the following committee updates:
1. The RTA website has been updated with current schedules, board of directors, committees and staff information.
 2. The e-commerce web pages to purchase bus and train tickets on line have been created to streamline and manage the payment process more efficiently.
 3. Meetings have taken place with the marketing and public relations contractor to review marketing plans and past accomplishments.
 4. Updates with the Music City Star brochure are being made.
 5. There was discussion of the need to market the new route #92 from Gallatin to Hendersonville.

This completed the report.

- V. **Operations Committee Report:** Chair Howard Bradley presented the following items for the board's consideration:
- a. **Security Contract (A-09-004):** Chair Bradley reported that this contract expired in April 2008 but does have a renewal clause. The committee recommends that the board approve a two year contract renewal with Walden Security which would renew through March of this year (2009) at the current number of hours and then for a second year at a negotiated reduction of hours through March of next year (2010). The vote of approval on the contract extension for two years was unanimous.

- b. **Ticket Sales (A-09-005):** Chair Bradley reported that a contract with Central Parking to service the ticket vending machines at the six Music City Star stations has been in effect for almost three years. The contract was for \$18,000 a year and he reported that for the last twelve months the fees have totaled \$144,000. The committee recommends that the board exercise a ninety day cancellation clause in the current contract. The committee also recommends that the Board agree to the issuance of a new request for proposals (RFP) that would result in a contract that would begin at the end of that 90-day period. Additionally, Chair Bradley stated that the new RFP would include staffed ticket sales at Riverfront Station, installation of a credit card terminal at Riverfront Station, installation of the spare ticket vending machine at the Lebanon Station, and an upgrade to ticket stock that resists moisture. He added that a cost and price analysis shows that there is potential for significant savings. The vote of approval was unanimous. This completed the report.

VI. **Finance and Audit Committee Report:** Chair John Schroer reported on the following item:

- a. **Resolution Authorizing the Filing of Annual Grant Applications and Team Access (A-09-006):** Chair Schroer presented the background as contained in the action item A-09-006 within the board book. He then continued with the committee recommendation as presented in the same item. The vote of approval was unanimous.

At this time Chair Anderson asked Mayor Schroer if he had anything else to report. Mayor Schroer reported that there were no more action items at this time but there were a lot of things coming up over the next six to nine months in which this committee would be actively involved.

Chair Anderson asked CFO Ed Oliphant if there were any budget items that he would like to touch upon at this time. Mr. Oliphant reported on the following:

1. The committee went over a new financial status structure which will be easier to understand.
2. The committee asked to see a cash flow statement and that will be made available to them.
3. We looked at open grants to make sure of what we had and did find some grants for which application had not been made. We are now in the process of making application for these. Consequently, there will be a cash flow crunch – more so than in the past, but the money is there. The plan is to contact each creditor and work with them. This should not be a long term problem, but will be a short term problem.
4. We are still in the process of working with Bank of America to get the extension on the line of credit. Everything has been submitted and we are awaiting a response and we do not anticipate any problems with this.
5. Concerning the budget, FY 2010 is being prepared and will be brought to the committee using the business plan for RTA as the backbone. On a timely basis, a request was submitted to Metro based on that business plan and we are waiting to hear from Metro. That will be included in the budget.

6. Because of the management agreement having been put in place, FTA has requested and is doing a financial management oversight review. We did have the assessment period of two days of meetings. We are waiting to hear what the actual audit will be and what will be the focus.

Chair Anderson asked for any questions or comments and Ed Cole asked that the following comment be included for the record: "I think we have the best understanding that we have had, certainly in my tenure, of the flow of dollars from the Federal Transit Administration, in some cases flex dollars from Federal Highway. The MPO has been involved, our staff together with the RTA. I think we now have, as Ed (Oliphant) reported, the best understanding of the flow of those dollars and making sure that all grant dollars are properly transferred and spent and were accounted for. That is a very, very good statement of progress, I think, that has come along in the last several months." This concluded the report.

VII. Northeast Corridor Committee Report: Chair Jo Ann Graves stated that public meetings have been held throughout the corridor, the information is being analyzed and additional meetings have been set up in May. She will be briefing the board on this.

VIII. Chief Administrative Officers Report: Lora Baulsir presented the following items:

- a. **RTA Meeting Schedules for 2009 (A-09-007):** The date for committee meetings in April has been moved to April 7th, the first Tuesday in April, because in this month the second Tuesday and the third Wednesday fell within the same week. A break in July has been proposed for both the committees and board meetings because it is the end of the fiscal year; and there is always the option to call a meeting should the chair of any committee or of the board determine the need to do so. The vote of approval was unanimous.
- b. **Membership Dues Update (I-09-004):** Since the last meeting, there were several who were able to produce records evidencing their payment of dues – Mayor Burgess, Portland, and Brentwood. Ashland City and Laverne are looking into it. Mayor Spivey requested another copy of the bill and Springfield submitted their payment. Board Chair Anderson asked that those present please make note if their city or county has not yet paid and stressed the need for this to be done in order to have voting power. This concluded the report.

IX. Chair's Report: Chair Anderson stated that he was very thankful for the committees and that he had been able to attend a couple of them. He expressed his appreciation to those who participated and who were involved, in particular, the chairs for taking the leadership roles. He concluded stating that these will help us to speed through our board meetings in a very expeditious manner.

He then asked the room to clear for the Executive Session.

X. **The CEO's Report:** Paul Ballard thanked the committees for the excellent work that was done last week in the committees, the tremendous participation in attendance and in the discussions. A lot of territory was covered and a lot of progress was made as was indicative of the reports given today. Additionally, he noted that a tremendous amount of time is being spent putting together the budget for next year. The climate is difficult, but the business plan provided by TDOT has proven very beneficial in this endeavor. There were no questions and this concluded the report.

XI. **Other Business:** There was no other business.

XII. **Adjournment:** There being no other business, the meeting was adjourned at 10:57 a.m.

REGIONAL TRANSPORTATION AUTHORITY

OF MIDDLE TENNESSEE

BOARD ACTION ITEM

Item Number: A-09-008

Meeting Date: 03/18/09

Item Title: PARSONS BRINCKERHOFF TECHNICAL SERVICES

BACKGROUND

We are anticipating the receipt of approximately \$3.2 million in stimulus money for the construction of the Martha Station, rehabilitation of locomotive number 120, and rehabilitation of four additional locomotive wheel sets.

The procurement and inspection process associated with these projects will require technical assistance from engineers and other experts. The MTA currently holds a contract with Parsons Brinckerhoff (PB) for the technical services needed. The MTA contract contains an assignment clause the RTA can utilize with board approval. \$2 Million is tentatively identified for Martha Station and the balance for the locomotive work.

Each of these projects must be under contract on a very tight timetable. An RFP for Martha Station is currently being prepared by staff. Staff will be able to obtain the technical assistance need to complete these two projects within the PB contract for a maximum of \$100,000.

COMMITTEE RECOMMENDATION

The Operations Committee recommends exercising the assignment option on MTA's contract with Parsons Brinckerhoff (PB) for technical services related to the construction of Martha Station and the rehabilitation of the locomotive and wheel sets. The contract will not exceed a cost of \$100,000.

Approved:

Secretary

March 18, 2009

Date

REGIONAL TRANSPORTATION AUTHORITY

OF MIDDLE TENNESSEE

BOARD ACTION ITEM

Item Number: A-09-009

Meeting Date: 03/18/09

Item Title: RAIL SERVICES, INC. (RSI) CONTRACT RENEWAL

BACKGROUND

The RTA contract with Rail Services Inc. expires March 31, 2009. This contract is for Personal/ Professional services for \$6,440.00 per year. RSI provides claims investigation, loss evaluations, monthly loss runs, associated services and recommendations for improvements to the operations. The contract has a renewal clause that could be extended in one-year increments.

COMMITTEE RECOMMENDATION

The Operations Committee recommends exercising the renewal option of the contract with Rail Services, Inc. through March 31, 2011 at the cost of \$6,440.00 per year.

Approved:

Secretary

March 18, 2009

Date

REGIONAL TRANSPORTATION AUTHORITY

OF MIDDLE TENNESSEE

BOARD ACTION ITEM

Item Number: A-09-010

Meeting Date: 03/18/09

Item Title: FUEL PARTNERSHIP PROPOSAL

BACKGROUND

Fuel prices over the past year have been very erratic and unpredictable. RTA currently buys its fuel off the State of Tennessee fuel contract which is based upon the Opus index. Nashville MTA has been having discussions with Metro Government about the possibility of Metro leading a partnership for the local area to facilitate a fuel hedging program to lock in prices. They have had several meetings which resulted in Metro Finance Department entering into an arrangement with Fifth Third Bank to hedge fuel. Metro would welcome a partnership with RTA which would also include Metro Fleet, Nashville MTA, the City of Franklin and possibly several other cities and counties surrounding Davidson County.

Recently, fuel prices have decreased to the point that Metro wants to move forward with some hedge positions to lock in prices on some portion of their fuel consumption over the next year. There is currently one road block in that there is currently State legislation only allowing for this type of partnership through June 30, 2009. Metro's Finance Director and Franklin's Finance Director are currently working to get that legislation extended another two years. As recently as December 2008, the bank quoted prices for a hedge of 1 year at \$1.75 per gallon and \$1.87 per gallon for a 2 year hedge. It would be very advantageous for RTA to participate with Metro in order to lock in fuel prices for our Music City Star locomotives while prices are down. While there is no guarantee that the spot market will stay at these levels, by participating in the program, we would be assured to create significant savings in the current year's budget and be able to better budget for some or all of FY 2010 and FY 2011.

COMMITTEE RECOMMENDATION

The Finance Committee recommends to the Board that they authorize the CEO to enter into an agreement with Metro Government to participate in a fuel hedging program and hedge some portion of our annual fuel consumption.

Approved:

Secretary

March 18, 2009

Date