



***BOARD MEETING***

Wednesday, October 17, 2007, 10:00 a.m.  
1101 Kermit Drive, 1<sup>st</sup> Floor  
Nashville, Tennessee

**MINUTES**

**BOARD MEMBERSHIP PRESENT**

Scott Foster - Chairman	Mayor, Hendersonville
Rogers Anderson - Vice-Chairman	Mayor, Williamson County
Paul Ballard - Secretary	Governor Appointee
Howard Bradley	Mayor, Robertson County
Tom Brashear	Alternate, Wilson County
Ernest Burgess	Mayor, Rutherford County
Angie Carrier	Alternate, City of White House
Betsy Crossley	Alternate, City of Brentwood
Don Fox	Mayor, Lebanon
Jay Johnson	Alternate, City of Franklin
Paul Nutting	Alternate, City of Springfield
Bill Orange	Mayor, Cheatham County
Randy Robertson	Alternate, City of Mt. Juliet
R.J. 'Hank' Thompson	County Executive, Sumner County
Kenneth Wilber	Mayor, City of Portland

**ADDITIONAL ATTENDEES:**

Terry Bebout	TSG
Tauna Blaisdell	GNRC Staff
Greer Broemel	GNRC Staff
Sherri Carroll	TDOT
Felix Castrodad	Nashville Area MPO
Erin Collier	RTA Staff
Sam Edwards	GNRC Staff
Ron Fults	GNRC Staff
Jovia King	GNRC Staff
Jeff Pancirov	GNRC Staff
Lucreacia Points	RTA Staff
Sharon Simmons	RTA Staff
Allyson Shumate	RTA Staff
Diane Thorne	RTA Staff
Jeff Wilson	TSG

## **CALL TO ORDER**

Chairman Scott Foster called the Board meeting to order at approximately 10:00 a.m., on Wednesday, October 17, 2007, in Nashville, Tennessee.

## **APPROVAL OF MINUTES**

Chairman Foster asked for the approval of the August 22, 2007, Board meeting minutes. Lebanon Mayor Don Fox made a motion to approve the minutes. Sumner County Executive Thompson seconded and the motion passed unanimously.

## **PUBLIC COMMENTS**

Chairman Foster called for comments from the public. There were no public comments.

## **ACTION ITEMS**

**Item 4, DBE Annual Goal, was presented by Diane Thorne.** Mrs. Thorne reported that at the August 22<sup>nd</sup> RTA Board meeting, the DBE goal was approved to be released for public review and comment. As a condition of receiving federal funding assistance, the RTA annually develops a goal for the Disadvantaged Business Enterprise (DBE) Program. This document presents the RTA's DBE goal for fiscal year 2008 and provides a description of the methods used to determine this figure. The overall goal should be submitted to FTA annually on or before August 1.

Mrs. Thorne stated that no public comments were received. Mayor Fox made a motion to approve the DBE Goal. Mayor Orange seconded. The motion passed unanimously.

**Item 5, the RTA Finance Committee Report, was presented by Sumner County Executive Hank Thompson.** County Executive Thompson stated the Finance Committee met on October 9, 2007. At this meeting it was determined that a joint committee working session of the Operations Oversight Committee, the East Corridor Oversight Committee, the Marketing Committee and the Finance/Audit Committee was needed. This meeting is tentatively scheduled for November 13, 2007. County Executive Thompson also requested and encouraged other Board members to attend and participate in this meeting. County Executive Thompson asked Mrs. Thorne or Mrs. Shumate to further discuss the remaining items.

**Item 5a, Budget Amendment, was presented by Allyson Shumate.** Mrs. Shumate reported on the approved budget for FY 2008. In this budget, revenues for bench advertising are shown in the amount of \$43,174.29. This revenue is used to offset the operating costs of the RTA Commuter Rail operations. The budget amendment proposed would move \$15,000 from commuter rail operations to match funds for the effort the RTA has identified in the Nashville Area MPO Unified Planning Work Program. This amendment does not impact the budget.

County Executive Thompson made a motion to approve the Budget Amendment to use revenues received from bench advertising for local matching funds. Mr. Brashear seconded.

**Item 5b, Resolution ratifying amendments to Line (s) of Credit (LOC) for Self-Insured Retention Fund and the Operating Cash needs was presented by Diane Thorne.** Mrs. Thorne briefed the Board on amendments to the existing Lines of Credit (LOC) currently held by the RTA. One LOC is for the Self-Insured Retention Fund and the second LOC is for the operating needs of the Music City Star. This resolution is required by Bank of America in order

to reduce interest rates pending a legal opinion from RTA's attorney on the tax exempt status of the interest paid to the bank. This is being worked on currently; and once the opinion is accepted by Bank of America, the LOCs will automatically revert to the lower interest rate.

The current 1 year LIBOR is 5.13%. The new rates for the loans are:

The \$2,000,000 revolving note for the Self-Insured Retention Fund is – the One-Month Fixed LIBOR Rate plus 100 basis points per annum – based on today's LIBOR this rate would be 6.13%.

The \$1,500,000 Revolving note for Operations funding is the One-Month Fixed LIBOR Rate plus 200 basis points per annum – based on today's LIBOR this rate would be 7.13%.

Mayor Fox made a motion to adopt the Resolution and it was seconded by Mayor Bradley.

Sumner County **Executive** Thompson commented on the status of Bill Farquhar's payment request. He stated that a response has been submitted in reference to Mr. Farquhar's request for payment of unused time. He stated that the GNRC Board voted to decline payment of Mr. Farquhar's request.

Mrs. Thorne also informed the Board that IBIS Communications will attend the November joint committee meeting to present the marketing plans for the upcoming year. Chairman Foster requested that an e-mail be sent to the Board regarding the details of that meeting.

**Item 6, Colonial Pipeline lawsuit against the NERC, was presented by Sam Edwards.** Mr. Edwards briefed the Board on the Colonial Pipeline Company suit against the Nashville and Eastern Railroad Corporation (NERC) regarding a breach of contract filed on October 4, 2005. In February 2006, the RTA received a letter from the attorney for the NERC, informing the RTA the Railroad's liability carrier denied coverage for this claim. Per the letter from the NERC attorney, the contract between the RTA, the Nashville & Eastern Rail Authority (NERA) and the NERC, states any costs associated with the Commuter Rail Project would be reimbursed to the railroad by the RTA.

The previous Commuter Rail Director briefed the East Corridor Oversight Committee on this lawsuit. At the July 26, 2006, ECOC meeting, it was reported that Court had ruled in favor of the NERC.

The case was sent to the Court of Appeals on June 27, 2007. On September 27, 2007 the appellate court reversed the lower court's ruling and remanded the case to the lower court for a determination of damages to Colonial Pipeline Company.

**Item 7a, Marketing / East Corridor Oversight Committee Report – Marketing Update, was presented by Diane Thorne.** RTA staff has been working with the marketing consultant, IBIS Communications, on the marketing and advertising plan for the upcoming year. The goals for next year are to increase ridership on the Music City Star, better develop RTA's identity, combine the RTA and Music City Star websites, add e-commerce capability to website, and aggressively implement the public relations portion of the plan. RTA continues to focus on employer outreach for the Music City Star.

In addition to employer outreach, the RTA launched a new shuttle service in the Donelson business area on October 15, 2007. RTA contracted with Sedans on Demand to shuttle workers from the Donelson Station to the area businesses. Thomas Nelson is partnering with the RTA on this effort and other areas business are participating.

Monthly ridership reports on the Donelson Shuttle service were requested to be submitted in addition to the Music City Star Reports.

**Item 7b, Mt. Juliet Station Property Lease, was presented by Diane Thorne.** A proposal for development of the property at the Mt. Juliet Station, on the corner of Mt. Juliet Road, and Division Street, has been received. This proposal was first introduced to the East Corridor Oversight Committee /Operations Oversight Committee in July 2007. The East Corridor Oversight Committee has been reviewing this proposal.

At the ECOC meeting on October 9, 2007, it was determined the RTA should move forward with this proposal with items revised in the proposed lease agreement. These items are to reduce the term of the lease to a 20-year lease with first right of refusal, the lease rate will be adjusted annually based on either inflation or the CPI rate, and that RTA have final approval of the development plan. It was also determined the lease rate proposed was below the market value. Mt. Juliet's Economic Development Director is going to investigate the going rate for this type of property in the Town Center overlay and recommend a reasonable lease rate. Chairman Foster stated that the site is a potentially profitable location and that the lease per month should be placed at market value or higher to accrue revenue.

Mr. Brashear questioned the services that the developer would provide to the traveling public. Mrs. Thorne responded that the lease rate in addition to restrooms facilities will be considered when presented. Mrs. Thorne stated that the developer's current offer is not in the best interest of the RTA. Chairman Foster agreed and stated that negotiations have to be done strategically and professionally; furthermore, the rate and plan should be in place before speaking with the developer again.

Vice Chairman Anderson noted that RTA must be named as an additional insured.

Mayor Orange made the motion to authorize the RTA staff to negotiate the lease agreement at the rate of \$5,500 per month with the terms recommended by the East Corridor Oversight Committee on October 9, 2007. The motion was seconded by Mayor Fox.

**Item 8, Ridership Report, was presented by Diane Thorne.** Mrs. Thorne stated that express bus service is doing extremely well. Mrs. Thorne also reported that staff had submitted a request to participate in the 5309 statewide earmark distribution of capital funds from the Tennessee Public Transportation Association.

Mayor Orange requested that rural counties be included in the possible expansion of services, should 5309 funds be received. Mayor Orange stated the RPO and RTA needed to collaborate so that rural areas such as Ashland City, Cheatham County and Dickson County are also provided more transportation services into the Nashville / Metro Area.

The Music City Star ridership continues to build and tries to accomplish its goal of a higher ridership. Mrs. Thorne states that with the help of the community business leaders, the RTA

Board of Directors and staff, the goals and overall ridership will increase not only for the Music City Star but also for all RTA programs and services.

Mr. Brashear questioned that status of the widening of the 109 near Martha station. Mayor Fox requested that the minutes from the Lebanon Planning Commission be reviewed concerning the rail, the site and how far south the rail would be moved. This should be provided to TDOT.

### **OTHER BUSINESS**

With no further business, Chairman Foster made a motion to adjourn. County Executive Thompson seconded.

The meeting was adjourned at approximately 10:50 a.m.

Respectfully,

*Paul J. Ballard*

Paul J. Ballard  
RTA Secretary