



MINUTES
REGIONAL TRANSPORTATION AUTHORITY
MARCH 22, 2017

I. CALL TO ORDER: The regular meeting of the Regional Transportation Authority of Middle Tennessee (RTA) Board of Directors was held in the meeting room at Music City Central, 400 Charlotte Avenue, Nashville, TN on Wednesday, March 22, 2017. A quorum was established, and the meeting was called to order at 10:00 a.m. by Vice Chair Randall Hutto, Wilson County Mayor.

II. APPROVAL OF MINUTES: Vice Chair Hutto entertained a motion to approve the minutes of the February 15, 2017 meeting. Proper motion was made and seconded, and the minutes were adopted unanimously.

III. PUBLIC COMMENTS: Vice Chair Hutto opened the floor for public comments and recognized the following members of the public:

Cheryl Lewis, a frequent rider of the Music City Star, was recognized and stated her support of Transit Solutions Group's (TSG) management of the Music City Star and encouraged the Board to renew their management contract with TSG just as soon as possible.

Jo Ann Graves, President and CEO of the Transit Alliance of Middle Tennessee (TAMT), introduced the new infographic for the Transit Alliance and discussed the most recent business of the TAMT including the new class that will begin on April 26.

There were no other public comments at this time.

IV. FINANCE AND AUDIT REPORT: Vice Chair Hutto called upon Chief Financial Officer Ed Oliphant to present the following items:

a. Monthly Financial Report Compared to Budget (I-17-005): Mr. Oliphant reviewed the year-to-date data of the Statement of Operations Compared to Budget for the month of January 2017. There were no questions. He reviewed the Comparative Balance Sheets for month ended January 31, 2017, and there were no questions. This ended his report. (Both reports can be found in the RTA March Board book.)

b. Update on Audit Finding (I-17-006): During our FY 2016 audit, the auditors reported a finding which came out of a special audit that we had requested

related to all of RTA's fare collection. This finding was reported to the committee and board in the January 2017 meetings. As a result, we have developed an action plan to address all recommendations from the finding. This was submitted to the Tennessee Comptroller's office as a requirement of the audit including the action plan.

- c. **Fifth Third Revolving Line of Credit Renewal (A-17-005):** We have had an operating line of credit through Fifth Third Bank for the last year in the amount of \$1.5 million for general borrowings to cash flow expenses for the Music City Star. The maturity date for the current line of credit is April 1, 2017. While we continue to reduce the frequency of need to utilize the line, it is difficult to forecast the availability of future federal grant funding. Consequently, we believe it is imperative to renew the line of credit in order to ensure timely cash flow for expenses. All covenants have been met, and there is currently no balance on the line of credit. Costs to renew the line include attorney's fees and a small closing fee. These have been included in the annual budget.

Any borrowings are paid back through federal grants when the grant funding becomes available. The general line of credit has historically been utilized to pay for expenses incurred for the train that are reimbursable by a federal grant. However, for maximum flexibility, we would propose that the line of credit be available for general use for RTA expenses that are reimbursable by federal grants.

We are requesting that the RTA Board authorize the Chief Executive Officer to sign a one-year extension of the Fifth Third Bank revolving credit agreement for \$1.5 million which will extend the maturity date to April 1, 2018; and, that the line of credit be eligible for general use for RTA expenses that are reimbursable by federal grant.

Proper motion was made. There was no discussion or comments and the vote of approval was unanimous.

- d. **Fuel Purchase Contract (A-17-006):** On February 23, 2016, the State of Tennessee solicited for qualified contractor(s) for the purchase and delivery of bulk fuels to underground and above ground storage tanks. The objective was to enter into an indefinite delivery/indefinite quantity (IDIQ) three-year contract for gasoline and diesel fuels.

Two vendors were awarded contracts as a result of this solicitation, including Parman Energy Corporation Parman Transportation, LLC (Parman Energy). Parman Energy's contract with the State expires on April 30, 2019. RTA wishes to utilize an assignment clause in the State's contract, which allows other governmental entities to use Parman Energy's services.

RTA operates a fleet of four locomotives which are refueled every other day with diesel fuel. The availability of the State's contract expedites the procurement process, which in turn, allows for a continuous operation of the Music City Star. At this time, RTA would like to contract with Parman Energy for the remaining term of the State's contract at a cost of \$420,000 per year with a not-to-exceed amount of \$900,000 over the life of the contract.

Based upon this explanation, we are requesting that the Board authorize the Chief Executive Officer to enter into a professional services contract with Parman Energy for the remaining term of the State's contract that will expire April 30, 2019 in the amount of \$420,000 per year with a not-to-exceed amount of \$900,000 over the life of the contract. Funding will be provided through RTA's annual operating budget.

Proper motion was made. Member Ed Cole noted, for clarification of the record, that this State procurement complies with our own procurement processes by virtue of the fact that the State has gone through a competitive bidding process.

There was no other discussion and the vote of approval was unanimous.

V. **MONTHLY OPERATING STATISTICS (I-17-004):** Chief Operating Officer India Birdsong briefly reviewed the monthly operating statistics report for the Board. There were no questions or comments.

VI. **CEO'S REPORT:** CEO Steve Bland reported the following:

- **nMotion Plan** – Part of the nMotion plan was streamlining and making simpler fare payment systems. We are in the design process for a new fare collection system that will tie Nashville MTA and RTA. We expect to be out on the street with that within the next five to six weeks. We can expect to see progress on that this year.
- **Revised Rail Safety Regulations** –The Federal Railroad Administration has issued some revised regulations for rail safety and we are working with TSG on implementing those.
- **Northwest Corridor** – We had planned on presenting the Northwest Corridor Study Final Report – Findings and Recommendations to the Board today. However, with Clarksville Mayor Kim McMillan's absence, we thought it would be more appropriate to present it when she could be present for discussion; and therefore, plan to present this next month.
- **Transit Oriented Developments** –
 - **Hamilton Springs** – The final funding has been approved, and we will be breaking ground on this within the next month or so. We expect to see this completed within a year.
 - **Mt. Juliet** – We are working with the development team and some of their concepts. They have been working very closely with the city

and people who live in that area on what would be a compatible design.

- Donelson Station – This week we opened proposals for development around Donelson Station in Metro Nashville. We will be working with Metro on how we advance this particular project.
- Budget Projections – We will be bringing forward the preliminary budget projections for next year to the Finance Committee in April.

Vice Chair Hutto asked if there were any questions for Mr. Bland, and Jo Ann Graves (TAMT) asked if he had any idea if there was any type of budget for infrastructure in President Donald Trump’s proposed budget.

Mr. Bland responded that there should not be an immediate negative impact. Longer term, the programs that essentially were zeroed out in the President’s blueprint that could have an impact were the Tiger fund which is a discretionary capital program.

Of longer term impact is the New Starts – Small Starts program, the large capital investment program was zeroed out in that budget. It is an area of concern of the long term. We are not anticipating a major issue for next year’s budget, but the five to 10 year program could be a challenge.

VII. CHAIR’S REPORT: There was no report.

VIII. OTHER BUSINESS: There was no other business to come before the Board.

IX. ADJOURNMENT: Motion was made to adjourn, and the meeting was adjourned at 10:30 a.m.

Respectfully,

Paula Mansfield

Governor’s Appointee
RTA Secretary