



**MINUTES
REGIONAL TRANSPORTATION AUTHORITY
DECEMBER 13, 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, Tennessee on Wednesday, December 13, 2017. A quorum was established, and the meeting was called to order at 10:13 a.m. by Chair Kim McMillan, City of Clarksville Mayor.

IN ATTENDANCE WERE:

ASHLAND CITY	SANDY CANNON, ALTERNATE
CHEATHAM COUNTY	MAYOR KERRY MCCARVER
CLARKSVILLE	MAYOR KIM MCMILLAN (CHAIR)
DICKSON COUNTY	MAYOR BOB RIAL
FRANKLIN	MAYOR KEN MOORE
GALLATIN	MAYOR PAIGE BROWN
HENDERSONVILLE	MAYOR JAMIE CLARY
LEBANON	MAYOR BERNIE ASH
MURFREESBORO	JIM KERR, JR., ALTERNATE
NASHVILLE/DAVIDSON COUNTY	JULIA WCISLO, ALTERNATE
PORTLAND	MAYOR KENNETH WILBER
ROBERTSON COUNTY	MAYOR HOWARD BRADLEY
SMYRNA	JEFF PEACH, ALTERNATE
SPRING HILL	MAYOR RICK GRAHAM
SUMNER COUNTY	COUNTY EXECUTIVE ANTHONY HOLT
WESTMORELAND	MAYOR JERRY KIRKMAN
WHITE HOUSE	GERALD HERMAN, ALTERNATE
WILLIAMSON COUNTY	MAYOR ROGERS ANDERSON
WILSON COUNTY	MAYOR RANDALL HUTTO (VICE CHAIR)
GOVERNOR APPOINTEES	ED COLE, DAVIDSON COUNTY PAULA MANSFIELD, RUTHERFORD COUNTY (SECRETARY) LEE ZOLLER, SUMNER COUNTY KELLY DANNENFELSER, WILLIAMSON COUNTY KEN DAVIS, WILSON COUNTY

- II.** **APPROVAL OF MINUTES:** Chair McMillan entertained a motion to approve the minutes of the November 15, 2017 meeting. Proper motion was made and properly seconded, and the minutes were approved unanimously.

III. PUBLIC COMMENTS: Chair McMillan opened the floor for public comments and there were none.

IV. FINANCE & AUDIT REPORT: Committee Chair and Sumner County Executive Anthony Holt presented the following items:

- a. **Monthly Financial Report Compared to Budget (D-17-026):** Chair Holt called upon Chief Financial Officer Ed Oliphant to present this report. CFO Oliphant reviewed the financial report (included in the December Board book) for the Board. There were no questions for Mr. Oliphant at this time.
- b. **FY 2017 Annual Audit Report (A-17-027):** Chair Holt reported that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017 had been completed and was distributed along with the auditors required communication at the Finance & Audit Committee meeting. He was pleased to report that the RTA once again received a “clean” opinion on the report from our auditors.

The Finance & Audit Committee recommended to the Board the acceptance of the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

Proper motion was made and seconded. There was no further discussion, and Action item A-17-027 was adopted unanimously.

- c. **RTA Reserve Policies (A-17-028):** Chair Holt reported that in November 2017 the RTA Board accepted the Sunset Audit Report that was recently completed by the Audit Division of the Comptroller of the Treasury Office for the State of Tennessee. Two of the observations (recommendations) from the audit dealt with the fact that, in practice, RTA had two policies related to establishment of reserves for our regional bus services as well as an administrative reserve. However, these policies had never been specifically voted on and adopted by the RTA Board.

The Regional Bus Service Reserve was established in 2016 as a part of the annual budgeting process. It consists of excess subsidy contributions over actual operating expense that each city and county member would contribute for the regional bus services operated within their respective corridors. The excess subsidies are identified by regional bus corridor members and maintained in a separate bank account. The purpose of the reserve was a budget tool to help flatten out each member’s annual contribution over a two to three-year period and reduce year to year fluctuations. The reserve can only be used in the event of any budget shortages due to a loss of federal funding for the service or an increase in year over year budgeted regional bus service operating expense.

The Administrative Reserve has unofficially been in place since May 2012 when RTA met reserve requirements for its \$1 million supplemental insurance reserve related to the commuter rail insurance policy. The Board felt it would be prudent to continue setting aside membership dues to create a rainy day fund to help stabilize future budget years in case of an unexpected shortage of other funding. However, the policy was never officially adopted by the RTA Board. The Tennessee Annotated Code allows the RTA to establish local assessments in the form of

membership dues for the purposes of paying administrative expenses. The current amount of membership dues as of September 2017 set aside in excess of the insurance reserve for this administrative reserve is approximately \$747,000. The Committee recommended that the Administrative Reserve be capped at \$1 million and, once achieved, all other membership dues be used for eligible administrative expenses as stipulated in the bylaws and the statute.

The Finance & Audit Committee recommended to the Board that they adopt both the Regional Bus Service Reserve and Administrative Reserve policies. Proper motion was made and seconded. There was no further discussion, and Action Item A-17-028 was adopted unanimously.

- d. **Continuation of Period of Exclusive Negotiation with Centric/Imagine 1 (A-17-029):** Chair Holt reported that on August 13, 2015, the RTA issued a Request for Qualifications (RFQ) seeking a team experienced in developing mixed-use projects and with a firm knowledge of the needs of local government to help the RTA determine the best way to develop property at its Mt. Juliet train station. In December 2015, the RTA Board authorized the Chief Executive Officer to enter into a period of exclusive negotiation with Centric/Imagine 1 Partnership for a term not to exceed 24 months. Accordingly, the period of exclusive negotiation will end at the end of December 2017.

Centric/Imagine 1 Partnership developers have dedicated significant effort to determine the feasibility of a development project and continue to work with government and community leaders in the City of Mt. Juliet. They have identified four key focus areas:

- Creating a needed public space centered on access to public transit and one that serves as the central community gathering space for the developing town center of Mt. Juliet;
- Providing diverse housing options that appeal to a wider demographic and contribute to a growing town center;
- Providing retail and public amenities with flexibility to adapt and grow with future increased density; and,
- Creating a central walkable sense of place for Mt. Juliet that is pedestrian-oriented and embraces all forms of transit including walking, biking, vehicles, and rail.

The developers believe that additional time would allow them an opportunity to further advance the project.

The Finance & Audit Committee recommended to the Board that they authorize the Chief Executive Officer to continue the period of exclusive negotiation with Centric/Imagine 1 Partnership for an additional 24 months through December 31, 2019.

There was some discussion clarifying the need for this extension and that this would not in any way affect the other work that is being done with the City of Mt. Juliet on expanding the parking facility and making other site improvements on the station.

Proper motion was made and seconded. There was no further discussion, and Action Item A-17-029 was adopted unanimously.

V. **OPERATIONS COMMITTEE REPORT:** Committee Chair and City of Portland Mayor Ken Wilber reported that the Committee did not have any action items and called upon Chief Operating Officer India Birdsong to present the following item:

- a. **Monthly Operating Statistics (D-17-027):** COO Birdsong reviewed the operating statistics for the Board. She asked if anyone had any questions, and there were none.

VI. **AD HOC COMMITTEE ON GOVERNANCE OVERSIGHT REPORT:** Committee Chair Holt reported that the Committee met on November 29 to discuss the follow-up actions to the Office of the State Comptroller's Sunset Audit Report. Present were (in addition to Holt): RTA Board Chair and Clarksville Mayor Kim McMillan, Wilson County Mayor Randall Hutto, City of Franklin Mayor Ken Moore, Dickson County Mayor Bob Rial, Davidson County Governor Appointee Ed Cole, Williamson County Governor Appointee Kelly Dannenfelser, Tennessee Department of Transportation (TDOT) Liza Joffrion. Also in attendance as ex-officios were Greater Nashville Regional Council Executive Director Michael Skipper and RTA Chief Executive Officer Steve Bland.

Chair Holt reported that the RTA Board has never had a problem achieving a quorum for a meeting. According to the State Legislature, RTA's policy standard of 30% for a quorum is way too low. The Committee recommended that be changed to 50%. That is something that the Board has been able to achieve in the past and the Committee feels that is reasonable.

The current enabling legislation for RTA and RTA's bylaws allow our city and county mayors and TDOT to appoint alternates to represent their entity on the RTA Board. Chair Holt stated that the Committee wanted to remind members of their ability to do that and to encourage them to always appoint an alternate and in the case that they cannot attend to send their alternate. That hasn't always happened. The Governor's appointees are not now allowed to designate an alternate under the current legislation.

The Comptroller's Office and the Oversight Committee recognize the impact of this requirement with such a large board and recommend that RTA implement an Executive Committee structure. This Executive Committee would be in addition to the regular RTA Board. The full RTA Board would meet quarterly, and the Executive Committee would meet in those months when there is not a full Board meeting.

The Executive Committee would serve to directly oversee the day-to-day operations of the authority. Approval of the operating and capital budgets and any service changes would continue to require submission to the full Board for final approval. The Executive Committee meetings would be advertised and open to the public and all Board members. The actions of the Executive Committee would be made known to all members.

The Ad Hoc Committee also recommended that any Board member in good standing could serve as a full voting member on the Executive Committee provided they meet the 50% or more attendance to the full board meetings and express an interest in serving on

the Executive Committee. The Executive Committee would not be restricted in any way by the number of people who want to sit on that committee.

The Ad Hoc Committee would like to amend the committee description for the Finance & Audit Committee to expand its scope of responsibility as called for by the Comptroller's performance audit report. Basically the Finance & Audit Committee would be given the authority to be an audit committee.

Chair Holt stated that the Ad Hoc Committee welcomed feedback and recommendations; but, unless there were any significant issues, the committee needed to move forward as quickly as possible and submit formal correspondence to the Comptroller's Office outlining RTA's plan of action in a time frame that is reasonable. Any amendments to RTA's bylaws as well as any other board policy documents will need to be done at the next Board meeting in January 2018.

Chair Holt stated that the Committee's specific charge was to examine the Board's governance and issues associated with the performance audit and believes that they have done that. The recommendations of this Committee will address all the concerns the Comptroller's Office has identified and will hopefully put RTA in good standing.

Board Chair McMillan reiterated that the Sunset Audit Report questioned why a Board this large didn't have a smaller Executive Committee that could meet on a monthly basis as opposed to the whole Board meeting on a monthly basis to make sure that RTA had proper attendance to move their actions forward as needed.

Continuing, Board Chair McMillan stated that the Ad Hoc Committee tried to address the issue of allowing any member of this board who has the requisite attendance and who wants to serve on the Executive Committee and to come to the monthly meetings that they will be allowed to do so. The Committee is trying to address the comptroller's issues and address the wishes and interests of the Board members who have really shown a great interest in all of these issues and would like to continue their service.

VII. SELECTION OF CANDIDATES FOR 2018 BOARD OFFICERS (A-17-030): Chief Administrative Officer Rita Roberts-Turner reported that this was the time of year when the Executive Committee puts forth a slate of candidates to the Board to be considered for election in January. The specific officers to be elected are: Board Chair, Board Vice Chair, and Board Secretary. At least one of these officers must be a Governor's Appointee.

The Executive Committee met and put forward the current slate of officers for the next year (2018). They are: Chair – Clarksville Mayor Kim McMillan; Vice Chair – Wilson County Mayor Randall Hutto; and Secretary – Rutherford County Governor Appointee Paula Mansfield.

At this time, the floor was opened for any additional nominations to be considered for the January election of officers. No additional nominations were made.

Proper motion was made and seconded to cease nominations and to adopt the executive committee's recommended slate of officers for 2018. The vote to adopt the slate of officers was unanimous and the slate will be presented at the January meeting for vote.

VIII. CEO's REPORT: CEO Bland reported the following:

- Hamilton Springs Station – Progress continues on the Hamilton Springs Station, and we continue to anticipate a grand opening in the spring of 2018.
- Franklin Park & Ride – With continued decline in Franklin Express ridership following the relocation of the Park & Ride from Williamson County Medical Center, we are working with City of Franklin staff and the Transportation Management Association Group to identify potential sites for acquisition to develop a permanent Park & Ride facility.
- Let's Move Nashville Plan – Yesterday, Mayor Barry formally released the *Let's Move Nashville* Transit Improvement Plan for Davidson County and submitted it to Metro Council for consideration to be put on the May 1 ballot. Of specific relevance to the RTA are plans to make improvements to the Davidson County portion of the Music City Star, particularly to add to the number of trips; and an intent to work with the Cheatham County Rail Authority to advance light rail in this corridors as far as Ed Temple Boulevard while still facilitating freight rail in the corridor and the potential for future passenger service between Nashville and Montgomery County in accordance with the Northwest Corridor study and prior direction of this Board.
- Mt. Juliet Funding – We continue to move forward with Mt. Juliet in a very productive manner. We expect in January to bring final the Memorandum of Understanding to the Board's attention on what RTA will do and what Mt. Juliet will do in terms of continuing that relationship. Our development team is working with our engineers to initiate a design process on the lot expansion.
- Federal Railroad Administration – Per the Board action last month, we are also advancing the limited service exception for the Music City Star through the Federal Railroad Administration process. We anticipate that it will take them several months to review this request.
- New Year's Eve Service – We are working to develop a plan for New Year's Eve service on the Music City Star. The Titans are scheduled to play a noon game on New Year's Eve, so this complicates that issue more than in most years. We will announce plans in the next week.
- Election of Officers and Meeting Time – Alluding to the election of officers and the publication of annual meetings, there was discussion at today's Nashville Area Metropolitan Planning Organization (MPO) meeting about modifying the three boards' (RTA, GNRC, MPO) meeting schedules to put MPO and GNRC together. The RTA is working with MPO and GNRC on that and what is under current consideration is that the day of the month will not change, but the times will. The RTA would move their meeting to 9:30 -10:15 a.m. followed by the GNRC and then the MPO.

IX. CHAIR'S REPORT: Chair McMillan thanked everyone for all of their hard work this year with the RTA. RTA really does make a difference in the region. She looks forward to another great year together.

- X. **OTHER BUSINESS:** There was no other business to come before the board.
- XI. **ADJOURNMENT:** Proper motion was made and seconded to adjourn, and the meeting was adjourned at 10:50 a.m.

Respectfully,

Paula Mansfield

Governor's Appointee
RTA Secretary