



Nashville MTA Board Meeting

Tennessee Bankers Association

211 Athens Way | Nashville, TN 37203

January 23, 2025 | 2:30 p.m.

Board Members: Gail Carr Williams, Chair | Jessica Dauphin | Aron Thompson | Kathryn Hays Sasser

1. **Call to Order**
2. **Roll Call**
3. **Approval of the December 19, 2024, MTA Board Minutes**
4. **Public Comment**
5. **Information Only Items** – The following information is contained in the board packet distributed for member review. These items are not planned for discussion, but the staff is available to discuss should members have questions.
 - Monthly Financial Report Compared to Budget – Amanda Vandegrift, Deputy CEO of Finance & Administration **M-I-25-001** **P. 5**
 - Annual Risk Assessment – Amanda Vandegrift, Deputy CEO of Finance & Administration **M-I-25-002** **P. 12**
 - Annual Conflict of Interest Report – Amanda Vandegrift, Deputy CEO of Finance & Administration **M-I-25-003** **P. 15**
 - Monthly Operating Statistics – Andy Burke, COO **M-I-25-004** **P. 18**
 - Upcoming Procurement Projects List – Vince Malone, COSA **M-I-25-005** **P. 23**
6. **Consent Agenda Items**
 - Approval for Retrofitting Driver Protective Barriers – Nick Oldham, CSSO **M-A-25-001** **P. 25**
7. **Operations & Finance Committee – Jessica Dauphin, Committee Chair**
 - Operations 2024 Special Events Review – Nick Pecenka, Director of Operations **OF-D-25-001** **P. 26**
 - MTA Code Conduct Revisions – Vince Malone, COSA **M-A-25-002** **P. 27**
 - WeGo Facility Use Agreement for MTA Properties – Vince Malone, COSA **M-A-25-003** **P. 28**
8. **New Initiatives & Community Engagement Committee – Aron Thompson, Committee Chair**
 - FY2025-2026 MTA Budget Proposal to Metro Finance - Amanda Vandegrift, Deputy CEO of Finance & Administration **NICE-D-25-001** **P. 29**
9. **CEO’s Report – Stephen G. Bland, CEO**
10. **Chair’s Report – Gail Carr Williams, Chair**
11. **Other Business**
12. **Adjournment**

Nashville Metropolitan Transit Authority

Board of Directors Meeting

December 19, 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, December 19, 2024.

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

Gail Carr Williams, Chair

Janet Miller, Vice Chair

Jessica Dauphin, Member

Aron Thompson, Member

Kathryn Sasser, Member

Margaret Behm, Board Secretary

Stephen Bland CEO

Monica Howse, Sr. Exec. Asst. & Bd. Liaison

Debbie Frank, Deputy CEO of Growth & Dev

Amanda Vandegrift, Deputy CEO of Finance & Admin

Patrick Hester, Deputy COO of Assets & Infrastructure

A quorum was established, and Board Chair Carr Williams called the meeting to order at 2:36 p.m.

III. **Approval of Minutes:** Vice Chair Miller made a motion to approve the November 21 Nashville MTA Board minutes. Ms. Dauphin seconded the motion, and the Board unanimously approved the minutes.

IV. **Public Comments:** 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:

- Darius Knight

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

- **Monthly Financial Report Compared to Budget** – Ms. Dauphin thanked Ms. Vandergrift for thorough financial reports.
- **Monthly Operating Statistics** – No questions
- **Upcoming Procurement Projects List** – Ms. Dauphin expressed her satisfaction with seeing RFPs being released, particularly with the CHYM Transportation Improvement program.

VI. **Consent Agenda Items:**

a. **Adoption of Free Fare Services for New Year's Eve, December 31, 2024 (M-A-24-037):**

Ms. Dauphin motioned to approve the Consent Agenda action item; Mr. Thompson seconded the motion, and the Board unanimously approved the Consent Agenda action item.

VII. **Operations & Finance Committee Report:** Committee Chair Jessica Dauphin presented the following items for discussion and action:

- a. **FY2024 Annual Audit Report (M-A-24-038):** Deputy CEO of Finance & Administration introduced Ms. Erica Saeger representing the Authority's outside auditors Crosslin Associates, who presented the Annual Audit Report for action:

Ms. Sager reported that The Comprehensive Annual Financial Report for the fiscal year ended June 30, 2024 is being issued with a “clean” opinion from our auditors and that no material internal control weaknesses or deficiencies were encountered during the audit. Two findings were identified with the following corrective actions:

- **2024-001 – Internal Controls over Cash Disbursements for Allowable Costs:** The auditors identified an instance in which a payment was issued without the requisite number of approval signatures. In September 2024, two additional reviews were added for all checks issued for greater than the required threshold to ensure that each check issue includes two authorized signatures.
- **2024-002 – Procurement and Special Suspension and DeBarment:** By June 30, 2025, all vendors will be required to complete certification by (1) registering with www.SAM.gov and providing a copy of the active non-debarment status or (2) signing and submitting a Debarment and Suspension Certification form. Additionally, an annual update process will be completed for all active contracts to recertify compliance with this federal regulation. All submitted documentation will be maintained on the agency’s shared drive.

There was general discussion regarding the audit and of the audit findings specifically. The Board inquired about the implications of the lack of suspension and debarment documentation. Mr. Bland noted that, while this was an important control that needs to be corrected, the contracts reviewed by the auditors did not involve contractors who had actually been debarred or suspended from doing business by the Federal government; the issue was one of a lack of documentation.

Ms. Miller thanked the staff for a good report and for addressing any findings responsibly.

Ms. Dauphin noted that having a clean audit was reason enough to celebrate.

Staff requested that the Board accept the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2024.

The Operation and Finance Committee motioned to approve the FY2024 Annual Audit Report action item; Ms. Miller seconded the motion, and the Board unanimously approved the FY2023-24 Independent Auditors report.

- b. **Nestor Backflow Contract Extension (M-A-24-039):** Deputy COO of Assets & Infrastructure Patrick Hester provided the following item for action:

The Nestor Backflow System construction contract (2023132) was awarded to Koorsen Fire & Security in December 2023 for fire and plumbing system repairs. The initial contract budget was \$299,720, with a 20% contingency (\$59,944) for unforeseen issues, bringing the total budget to \$359,664.

Several change orders were issued to address unexpected challenges:

Change Orders 1, 2, and 3 (June 2024) addressed fuel lane operations and subsurface conditions, costing \$47,739, leaving a remaining contingency of \$12,185. Change Orders 4, 5, and 6 (August 2024) covered subsurface electrical improvements, material changes, and updated Metro regulations, totaling \$47,285, which caused a budget overrun of \$35,100 (9.7%).

Despite the cost increase, the changes were necessary for successful completion, compliance with regulations, and maintaining project safety. The final construction cost was \$394,744.

Staff requested the Board authorize the Chief Executive Officer to approve a contract price extension of \$35,000 for a total project budget of \$394,462.50 for the Nestor Backflow Project. Funding for this project is provided in the agency capital plan under the facility state of good repair program utilizing Federal 5307 funds with matching state and local funds. Additionally, a policy for managing such situations in the future was discussed.

A general discussion was held regarding change orders and the establishment of policies and procedures for handling similar situations in the future.

Mr. Thompson asked how approving the current contract extension would impact the approval granted the previous month. CEO Bland explained that the original contract amount would have exceeded the expenditure limit, and once the total surpasses the board's threshold, any change order causing an overage must be brought back to the board for approval of the additional amount.

The Operations & Finance Committee made a motion to approve the Nestor Backflow Contract Extension action item. Ms. Hays Sasser seconded the motion, and the Board unanimously approved the minutes.

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

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

1. Following the November 5 vote in Davidson County for improved mobility, we've been working closely with Mayor O'Connell's Office, NDOT, and Metro Planning to implement the improvements outlined in Choose How You Move. While the timing of the program remains uncertain due to a lawsuit filed by opponents questioning the program's legality, we are hopeful for a resolution before sales tax surcharge collections are scheduled to begin in February.
2. We do have clarity regarding one part of the capital plan. Last Tuesday, the Metropolitan Council approved Mayor O'Connell's proposed Capital Spending Plan for the year, which allocates \$527.17 million for various capital projects across the Metropolitan Government. The plan includes \$20.1 million for MTA to match State and Federal Capital Grants, in addition to funding for bus and van replacements.
3. WeGo is progressing with key initiatives connected to Choose How You Move and our Capital Plan. This week, we are issuing a request for information (RFI) from consultants to support the development of the Murfreesboro Pike All-Access Corridor. Thanks to Mayor Cooper's funding, we're able to begin this project before his term ends, and the RFI will help gather expert input for a comprehensive request for proposals to be advertised later this year. Additionally, we are soliciting capital project management firms to assist our engineering and planning teams with the expanded portfolio.
4. In another development related to the Murfreesboro Pike corridor, WeGo is excited to announce that we were selected as one of 34 national projects, and one of only two in Tennessee, to receive a Phase One SMART Grant from the U.S. Department of Transportation. The grant, totaling nearly \$2 million, will help improve service reliability along Murfreesboro Pike using advanced technologies such as Computer-Aided Dispatch, Automated Vehicle Location systems, and Artificial Intelligence. This collaborative effort involves NDOT, TDOT, Vanderbilt University, Penn State, and several private sector partners. Kudos to Deputy COO Dan Freudberg and Capitol Grants Administrator Billy Higgins for their successful grant application.
5. Ms. Billy Higgins and the team are also moving forward with another competitive grant awarded earlier this year. We've secured approximately \$1 million from the Build America Bureau of

USDOT to explore how we can utilize real estate assets for transit infrastructure and capitalize on transit-oriented development opportunities. This project is set to begin in the first quarter of 2025.

6. Several team members traveled to Cincinnati last month to present at the American Public Transportation Association's Transit Ballot Initiative Conference. This biennial event serves as a platform for cities considering or undertaking transit ballot initiatives. Nashville's journey, especially the turnaround from 2018 to 2024, was a key highlight. CEO Bland extended thanks to Jessica Dauphin, Michael Briggs, Jeff Morris, and Amanda for their participation in various sessions.
7. Last month, WeGo met with NDOT, Metro Planning, and our consultants from Kimley Horn and Nelson Nygaard to review the ongoing update to the nMotion Strategic Service Plan. Thus far, we've completed assessments of current conditions and past plans. As the project moves forward, the Board will be presented with specific recommendations later this year.
8. CEO Bland announced a key staff appointment: Ms. Madeline Roberson recently joined WeGo as the new Transit Planning Analyst. Madeline most recently worked with the Network for Sustainable Solutions in Nashville, playing a pivotal role in launching WeGo Link. She also contributed by working on the Nashville Moves Campaign. Welcome aboard, Madeline!
9. The accolades for the Dr. Ernest Rip Patton Jr. North Nashville Transit Center continue. We are proud to share that the project has been named Project of the Year for 2024 by The American Society of Highway Engineers Middle Tennessee Section. The design team will receive this award at their January meeting. Congratulations to Kia, the design team, and everyone involved for this well-deserved recognition.
10. On the RTA side: WeGo is making progress on the Donelson Station transit center and joint development projects. Debbie is leading efforts on these and the Antioch project. Although we are still in the Federal environmental review phase before design and land acquisition can begin, we continue to make strides in all areas.

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

Chair Carr Williams agreed with everything CEO Bland said. She highlighted the many exciting developments happening and noted the addition of new team members, including welcoming Ms. Madeline Roberson, WeGo's new Transit Planning Analyst.

Chair Carr Williams acknowledged former CFO Ed Oliphant and Controller Shelly McElhane for their years of dedicated service and successful audits. She also expressed gratitude to CEO Bland for his leadership, Board Secretary Margaret Behm for her guidance, and all board members for their hard work throughout the year. Additionally, she thanked Ms. Dauphin for representing WeGo at the APTA Conference.

In conclusion, Chair Carr Williams wished everyone a Merry Christmas and said that she looked forward to seeing everyone in the new year.

XI. Other Business: There was no further business to come before this Board.

XII. Adjournment: With no further business, Vice Chair Miller moved to adjourn the meeting, which adjourned at 3:32 p.m.

Attested:

Gail Carr Williams
Chair

Margaret L. Behm
Secretary

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Information Item Committee Discussion Item Committee Action Item Board Discussion Item

Item Number:	M-I-24-001	Meeting Date:	1/23/2025
Item Title:	Monthly Financial Report Compared to Budget		

BACKGROUND:

Attached is a summary of the interim statement of operations for November 2024 compared to the approved fiscal year (FY) 2025 budget. Revenues in November 2024 were 48% higher than budgeted, and expenses in November 2024 were 9% higher than budgeted.

The positive revenue variance in November is primarily related to the timing of local funds used in November and anticipated federal COVID-19 funding draws in December. This variance will balance out over the next two months. In addition, passenger revenues continue to trend higher than budgeted, with total fiscal year spending to-date being approximately \$392,180 (or 10%) higher than budgeted in the first five months of the fiscal year. This is primarily because the budget conservatively assumed a more severe revenue impact related to fare-capping implementation. Finally, a total of \$701,747 in federal funds have been received to-date for capital program items that were not capitalized and recorded as federal operating revenue.

Overtime costs in the Fixed-Route Bus Operations category continue to be significantly higher than budgeted, being nearly two times higher than anticipated in the first five months of the fiscal year due to the ongoing labor shortage issue. Overtime costs in November were exacerbated by the need for labor at premium rates to cover holiday-related shortages. As a result of this continuing trend, total fiscal year spending to-date in the Fixed Route Bus Operating category was nearly \$1.4 million (or 14%) higher than anticipated in the FY 2025 budget. This now includes the July 1st retroactive wage adjustments in the new collective bargaining agreement with Amalgamated Transit Union Local 1235. Labor shortages have also impacted the Paratransit Operations category, with the category spending to-date being approximately \$717,435 (or 14%) higher than budgeted, primarily related to the use of third-party providers to cover needed services. Employee benefits costs for the fiscal year to-date are approximately \$1.4 million (or 8%) lower than anticipated in the FY 2025 budget. This variance is primarily due to the quarterly prescription rebates received through Rx Benefits, lower use of paid time off, and open positions. Other categories experienced negative variances related to the timing of expenses and open positions, including Administration (10%), Planning & Development (10%), and Others (46%).

With respect to specific areas of income and expenditure on the attached profit and loss (P&L) statement, there are several underlying trends worth noting. First, Passenger Fare Revenues continue to be higher than budgeted, and WeGo Access Revenues continue to be lower than budgeted. These variances are primarily related to budget assumptions on fare-capping revenue impacts. Second, Community Impact Partnership Revenue continues to be recorded as zero due to the ongoing transition from the traditional transit advertising program. Labor & Fringes was under budget for the first five months of the fiscal year, which was related to the timing of insurance refunds and labor shortages. Services were significantly higher than budgeted due to overtime costs, as noted above. Casualty & Liabilities were higher than budgeted due to higher-than-anticipated insurance expenses.

As of November 30, 2024, RTA owed Nashville MTA approximately \$272,072 for services provided. In turn, MTA owes RTA approximately \$65,450 for fares collected.

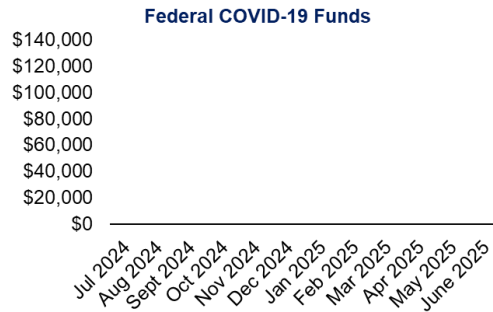
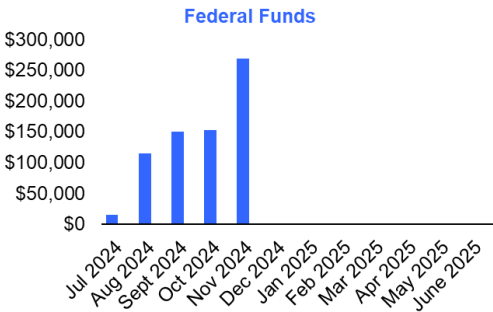
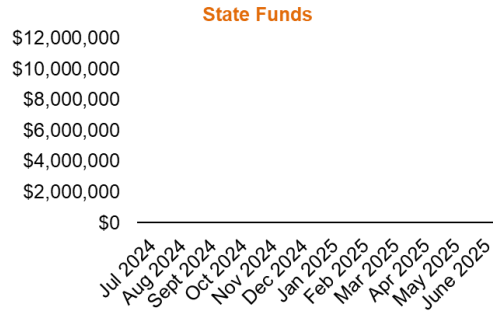
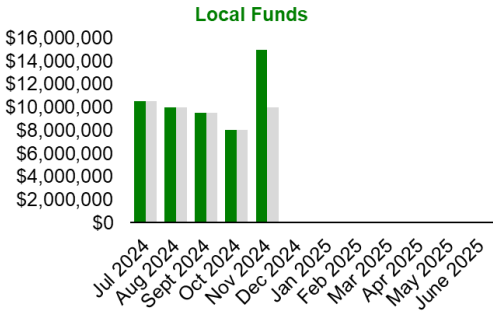
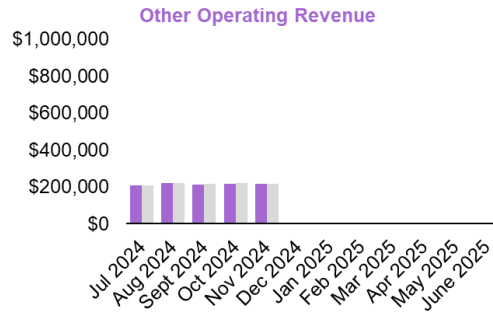
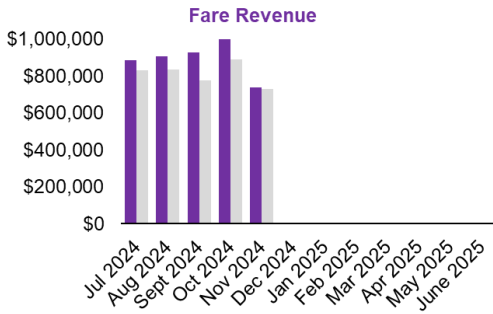
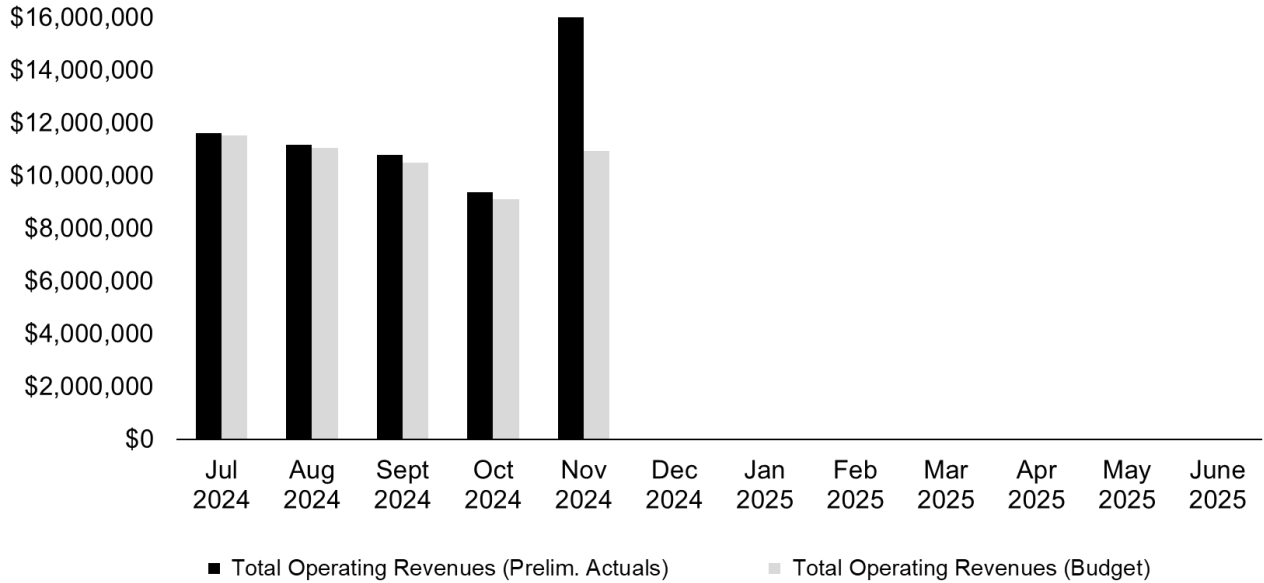
November 2024 Operating Revenue by Category:

	November 2024	Fiscal Year To Date	Approved FY 2025 Budget	% Budget To Date
Passenger Revenues (Budget)	728,540	4,061,450	9,569,970	42%
Passenger Revenues (Actuals)	737,458	4,453,630		47%
Other Operating Revenues (Budget)	215,660	1,080,080	2,612,310	41%
Other Operating Revenues (Actuals)	216,881	1,067,595		41%
Local Funds (Budget)	10,000,000	48,000,000	77,365,900	62%
Local Funds (Actuals)	15,000,000	52,968,907		68%
State Funds (Budget)	-	-	5,394,000	-
State Funds (Actuals)	-	-		-
Federal Funds (Budget)	-	-	26,457,279	-
Federal Funds (Actuals)	268,748	701,747		3%
Federal COVID-19 Funds (Budget)	-	-	6,597,591	-
Federal COVID-19 Funds (Actuals)	-	-		-
Total Operating Revenues (Budget)	10,944,200	53,141,530	127,997,050	42%
Total Operating Revenues (Actuals)	16,223,087	59,166,807		46%

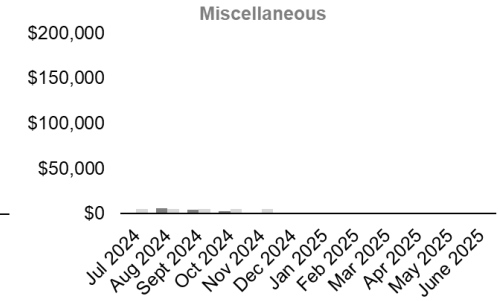
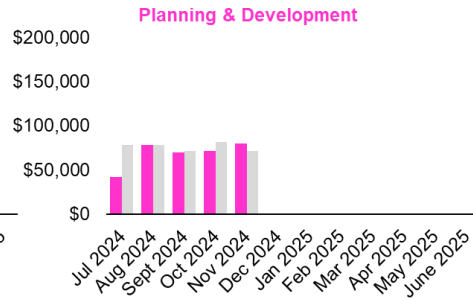
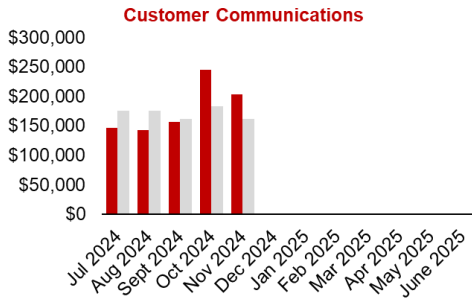
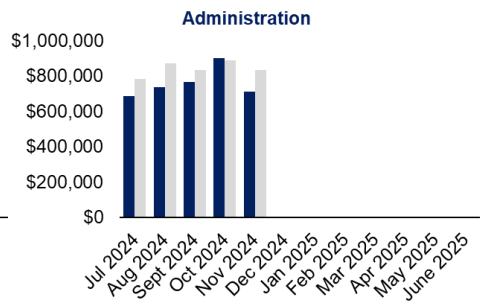
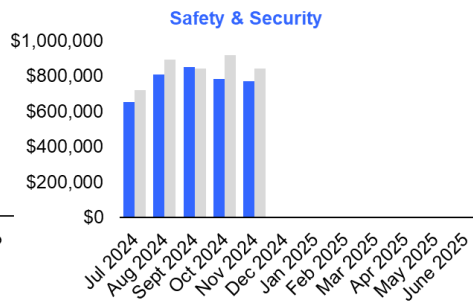
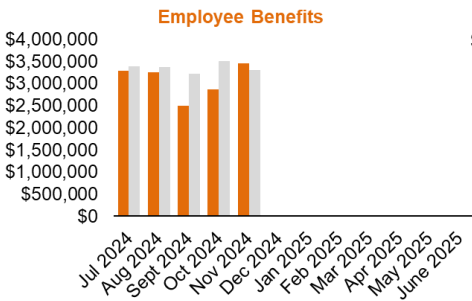
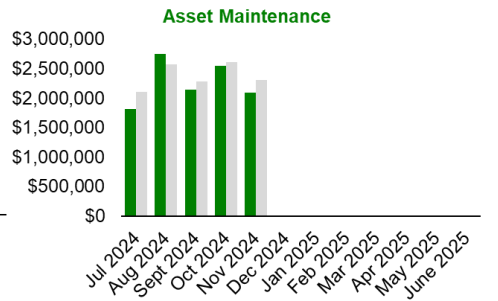
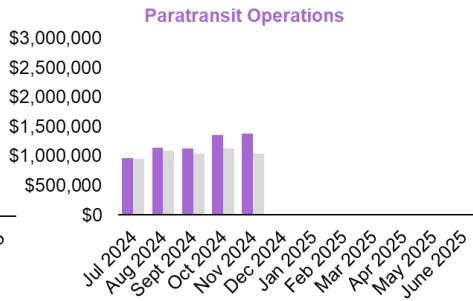
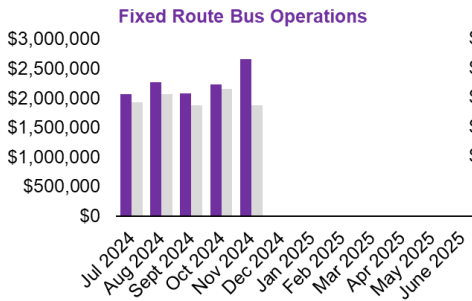
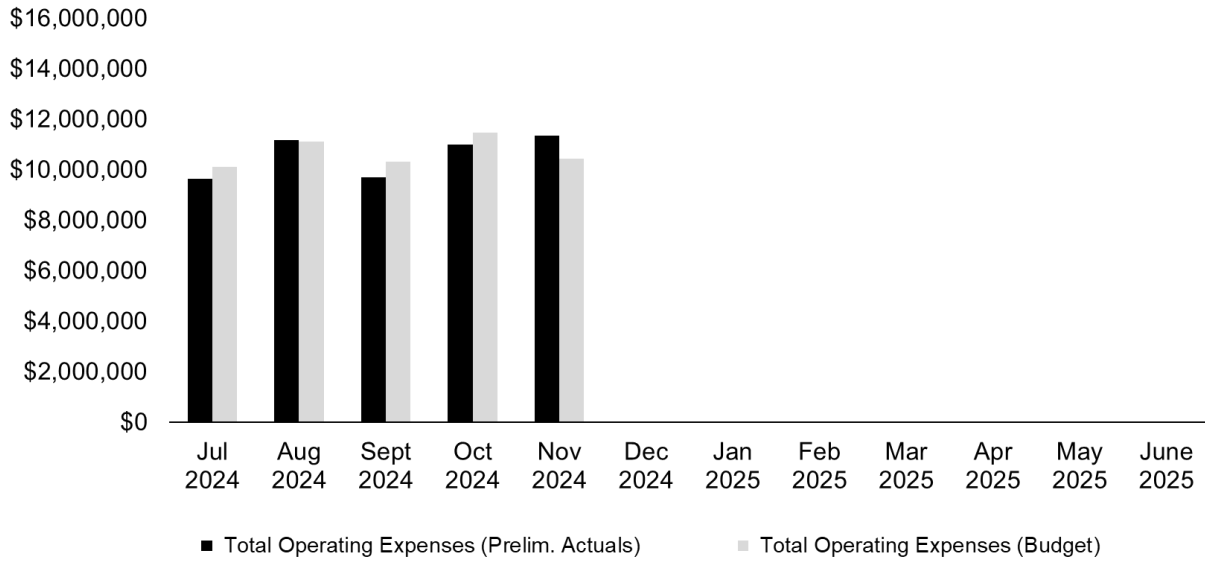
November 2024 Operating Expenses by Category:

	November 2024	Fiscal Year To Date	Approved FY 2025 Budget	% Budget To Date
Fixed Route Bus Operations (Budget)	1,880,028	9,908,400	23,625,790	42%
Fixed Route Bus Operations (Actuals)	2,658,313	11,298,304		48%
Paratransit Operations (Budget)	1,036,643	5,245,285	12,671,810	42%
Paratransit Operations (Actuals)	1,375,675	5,962,720		48%
Asset Maintenance (Budget)	2,310,227	11,877,315	28,608,930	42%
Asset Maintenance (Actuals)	2,095,901	11,347,878		40%
Employee Benefits (Budget)	3,301,500	16,792,630	39,786,760	42%
Employee Benefits (Actuals)	3,461,780	15,377,766		39%
Safety & Security (Budget)	842,821	4,215,905	10,161,070	41%
Safety & Security (Actuals)	771,698	3,864,916		38%
Administration (Budget)	834,081	4,211,145	10,160,810	41%
Administration (Actuals)	710,576	3,797,476		37%
Customer Communications (Budget)	161,516	857,150	2,030,120	42%
Customer Communications (Actuals)	203,034	892,782		44%
Planning & Development (Budget)	71,165	379,215	897,350	42%
Planning & Development (Actuals)	80,111	340,788		38%
Miscellaneous (Budget)	4,534	22,670	54,410	42%
Miscellaneous (Actuals)	105	12,147		22%
Total Operating Expenses (Budget)	10,442,515	53,509,715	127,997,050	42%
Total Operating Expenses (Actuals)	11,357,192	52,894,778		41%

Operating Revenue Monthly Comparisons FY 2025 Actuals vs Budget



Operating Expenditures Monthly Comparisons FY 2025 Actuals vs Budget



CURRENT STATUS:

Deputy CEO of Finance and Administration Amanda Vandegrift will be available to answer questions.

APPROVED:

Amanda Vandegrift

Deputy CEO of Finance and Administration

1/23/2025

Date

Nashville MTA

Statement of Operations Compared to Budget
For the Period Ending November 2024

UNAUDITED

	Month Actual	Month Budget	Month Var. [F/(U)]	Prior Y-T-D	Current Y-T-D	Budget Y-T-D	Y-T-D Var. [F/(U)]	Annual Budget
Revenue From Operations								
Passenger Fares	529,420	517,120	12,300	2,901,435	3,330,775	2,914,370	416,405	6,885,000
WeGo Access Revenue	41,880	50,210	(8,330)	248,431	238,772	284,620	(45,848)	637,640
Contract Revenue	252,572	247,415	5,157	1,217,160	1,305,089	1,282,645	22,444	3,070,940
Community Impact Partnership Revenue	-	14,170	(14,170)	166,811	-	75,820	(75,820)	180,000
Other Non-Transportation Revenue	130,467	115,285	15,182	598,836	646,589	584,085	62,504	1,408,700
Total Operating Revenue	954,339	944,200	10,139	5,132,673	5,521,224	5,141,540	379,684	12,182,280
Federal/State/Local Income								
Local Operating Assistance	15,000,000	10,000,000	5,000,000	48,500,000	52,968,907	48,000,000	4,968,907	77,365,900
State Operating Assistance	-	-	-	-	-	-	-	5,394,000
CMAQ Operating Revenues	-	-	-	-	-	-	-	-
Mobility Mgmt / CHSTP Admin Time	-	-	-	-	-	-	-	-
CARES Act Operating Reimbursement	-	-	-	51,709	-	-	-	6,597,591
American Rescue Plan Op Reimbursement	-	-	-	-	-	-	-	-
Total Assistance Income	15,000,000	10,000,000	5,000,000	48,551,709	52,968,907	48,000,000	4,968,907	89,357,491
Capital Income								
Capital Operating Reimbursement	268,748	-	268,748	71,625	701,747	-	701,747	22,957,279
Capital ADA Reimbursement	-	-	-	-	-	-	-	3,500,000
Total Capital Income	268,748	-	268,748	71,625	701,747	-	701,747	26,457,279
Total Revenue	16,223,087	10,944,200	5,278,887	53,756,007	59,191,878	53,141,540	6,050,338	127,997,050
Labor & Fringes	8,256,469	7,394,570	(861,899)	34,676,119	36,941,076	38,190,830	1,249,754	91,052,070
Services	1,968,166	1,410,470	(557,696)	5,512,925	8,395,477	6,957,480	(1,437,997)	16,832,390
Fuel & Lubricants	452,845	537,230	84,385	2,675,530	2,628,146	2,873,950	245,804	6,795,660
Parts, Materials & Supplies	137,661	613,910	476,249	2,931,802	2,524,398	3,123,250	598,852	7,568,890
Utilities	109,388	135,540	26,152	519,342	528,186	610,230	82,044	1,538,660
Casualty & Liabilities	316,541	281,860	(34,681)	1,310,344	1,521,520	1,409,300	(112,220)	3,382,340
Other Miscellaneous Expenses	116,122	68,935	(47,187)	236,002	355,976	344,675	(11,301)	827,040
Total Expenses	11,357,192	10,442,515	(914,677)	47,862,065	52,894,778	53,509,715	614,937	127,997,050
Surplus/(Deficit) before GASB 33	4,865,895	501,685	4,364,210	5,893,942	6,297,100	(368,175)	6,665,275	-
CARES Act Capital Reimbursement	22,228	-	22,228	340,341	149,485	-	149,485	-
Capital Asset Purchases	1,765,534	-	1,765,534	5,724,213	8,951,958	-	8,951,958	-
Amortized Rental Revenue	49,167	-	49,167	245,835	245,835	-	245,835	-
GASB 75 OPEB	-	-	-	-	-	-	-	-
Interest Exp - Cap Lease	(20,800)	-	(20,800)	(102,711)	(103,812)	-	(103,812)	-
(Loss)Gain on Sales	-	-	-	27,636	5,111	-	5,111	-
Amortization Exp	(8,409)	-	(8,409)	(42,046)	(42,046)	-	(42,046)	-
Depreciation net of Sub-Recip	(2,143,781)	-	(2,143,781)	(9,214,606)	(10,748,254)	-	(10,748,254)	-
Surplus /(DEFICIT)	4,529,833	501,685	4,028,148	2,872,604	4,755,378	(368,175)	5,123,553	-

Metropolitan Transit Authority
Summary Comparative Balance Sheet
For the Period Ending November 2024
Unaudited

	This Month November	Fiscal YE 2024 June
ASSETS		
CURRENT ASSETS		
Cash and Equivalents	8,876,814	6,459,272
Receivables from Federal, State, and Local Gov't	920,601	4,984,588
Accounts Receivable	2,155,232	2,173,701
Material and Supplies	5,680,713	4,814,116
Prepaid Expenses and Other	3,839,890	1,538,215
Pension and OPEB Deferred Outflow	32,868,326	32,868,326
TOTAL CURRENT ASSETS	54,341,576	52,838,218
PROPERTY AND EQUIPMENT		
Land	14,733,025	14,733,025
Buildings, Shelters, and Benches	139,086,731	138,578,250
Revenue Equipment and Parts	227,315,687	222,852,650
Office Furniture and Equipment	7,186,996	7,055,969
Work in Progress	9,123,094	5,364,715
	397,445,533	388,584,609
Less Accum Depreciation and Amortization	(213,677,001)	(203,317,072)
TOTAL PROPERTY AND EQUIPMENT, NET	183,768,532	185,267,537
OTHER ASSETS		
Cash and Restricted Investments for Self Ins	350,000	350,003
Metropolis Lease Receivable LT	-	-
North Nashville Property (Lease)	7,063,765	7,063,765
TOTAL OTHER ASSETS	7,413,765	7,413,768
TOTAL ASSETS	245,523,873	245,519,523
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	3,742,248	4,894,741
Accrued Expenses	8,066,751	8,939,025
Deferred Revenue	482,716	581,952
Notes Payable	-	2,400,000
TOTAL CURRENT LIABILITIES	12,291,715	16,815,718
NON-CURRENT LIABILITIES		
Long Term Deferred Rent Revenue	4,771,602	5,017,437
North Nashville Property Lease Liability - LT	7,049,599	7,049,599
Net Pension Liability	19,723,621	19,723,621
Pension and OPEB Deferred Inflows	14,909,897	14,909,897
Metropolis Lease Deferred Inflow of Resources	5,114,043	5,114,043
GASB 45 OPEB Liability	82,185,503	82,185,503
NON-CURRENT LIABILITIES	133,754,265	134,000,100
NET ASSETS		
Invested in Capital Assets	178,996,930	100,682,034
Unrestricted	(84,274,415)	(20,295,870)
Current Year Surplus(Deficit)	4,755,378	14,317,541
TOTAL NET ASSETS	99,477,893	94,703,705
TOTAL LIABILITIES AND NET ASSETS	245,523,873	245,519,523

	Current	> 30 days	> 60 Days	> 90 days	Total
Accounts Receivables	\$2,108,882	\$8,260	\$27,648	\$10,442	\$2,155,232
	97.8%	0.4%	1.3%	0.5%	100%
Accounts Payable	\$3,702,672	\$11,993	\$25,782	\$1,801	\$3,742,248
	98.9%	0.3%	0.7%	0.0%	100%

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Information Item Committee Discussion Item Committee Action Item Board Discussion Item

Item Number:	M-I-25-002	Meeting Date:	1/23/2025
Item Title:	Annual Risk Assessment		

BACKGROUND:

Each year, management completes a risk assessment on internal controls, policies, and procedures. The risk assessment identifies core strengths and weaknesses and areas of financial or operational exposure and/or focus. We seek input from the MTA Board as to what areas of risk they might see that have not been mentioned and what mitigation measures can be taken to mitigate overall risk further and address ways to continue to improve overall operations. Key identified finance and accounting focus areas are discussed below.

Cash Management. As WeGo begins to advance the Choose How You Move Program, cash management will continue to be a key focus area. MTA currently uses a \$20 million line of credit to assist with cash flow needs when grant funding is delayed for preventive maintenance (PM) and ADA operating expenses. Unlike many other peers, MTA currently does not have an operating reserve that could be accessed to fund unanticipated operating revenue reductions or operating cost increases. The Choose How You Move Program included an operating reserve of 30% of MTA's annual operating budget. Management is currently pursuing the creation of this operating reserve in the first two years of the program, which would be coupled with the line of credit to provide additional financial stability and increase federal funding competitiveness for the Choose How You Move Program.

Accounting and Procurement System. WeGo's current accounting and procurement system is outdated and relies heavily on manual processes. Many accounting and procurement processes are handled manually outside of the current system. This results in the potential for inaccuracies and delays that affect the timeliness of monthly financial reporting, vendor payments, asset management, and other critical agency functions. Management is currently advancing the implementation of an Enterprise Resource Planning (ERP) system, which will allow WeGo to access the latest features that can improve productivity, provide better performance, reduce manual errors, streamline processes, and enhance security. It will also maintain compliance with industry regulations and standards, minimize the risk of system vulnerabilities, and provide compatibility with newer technology integrations. As WeGo continues to grow through the Choose How You Move Program, this will provide for scalability, improved access to agency critical information, and optimize resource management and operational efficiency.

Expense Controls. While the monetary impact is relatively low, the possibility for duplicate orders and controlling the use of supplies can be problematic. Management has consolidated all credit card expenses where they are closely monitored by our administrative assistants. Management has also implemented a credit card policy and process that must be followed for all purchases made using the WeGo credit card. Management recently selected a vendor to manage authorized purchases and travel expenses, reduce administrative time currently used to book business trips, reduce costs, and increase travel policy compliance. Management is currently in the process of establishing a P-Card program, which would simplify and streamline authorized purchases on this new expense platform, improve expense controls and payment times, reduce administrative burden, and provide opportunities for rebate revenue.

Labor Shortages. Labor shortages have been occurring globally across all industries over the last several years. MTA continues to experience labor shortages for our current budgeted service levels, which has had a significant impact on MTA's operating costs. As a result, MTA's current overtime costs have been nearly two times higher than anticipated in the first five months of the fiscal year. To meet our budgeted service levels and achieve the increases projected in the Choose How You Move Program, management is currently considering the implementation of several strategies to recruit and retain bus operators, maintenance, and other key positions. This will be a critical focus for management over the next year and will be a constant focus as service levels continue to increase over the next few fiscal years.

Supply Chain Delays. With labor shortages, industries across the globe are experiencing supply chain delays for

parts and supplies. The transit industry is currently experiencing significant time constraints related to transit vehicle purchases and parts. With the need to purchase 65 new vehicles to increase service, this delay in transit vehicle delivery can create an added barrier to delivering service increases in a timely manner. In addition, parts inventory will continue to be an important area for MTA to have good processes and controls in place. Due to supply chain issues, we have adjusted normal parts inventory levels and have identified the most critical parts that are needed to maintain our fleet in a state of good repair and are allowing higher than normal min/max levels to ensure that parts are available. There remains an important balance between having the necessary parts available when needed for bus and van repairs, while also not having too many parts on hand that unnecessarily tie up dollars that could be used elsewhere. We will continue to monitor inventory levels, inventory turns, and delays in fleet repairs due to having to wait on parts. Finally, with more and more “events” occurring that interrupt nation-wide or regional fuel supplies, it is important for WeGo to have some way to guarantee diesel and gasoline supplies during crises. WeGo has a fuel hedging program to help stabilize fuel costs from a budgetary perspective, but we currently purchase all fuel from daily spot market quotes to take advantage of pricing, which does not provide us with any supplier who could guarantee consistent supply.

Fare Revenue. Fare revenue currently makes up over 7 percent of total MTA revenues. While ridership has surpassed pre-COVID levels, farebox recovery remains lower than pre-pandemic levels. This is primarily related to the implementation of a fare capping policy in 2022 where our riders no longer pay more than \$65 per month or \$4 per day. However, lower fare revenue increases MTA’s reliance on Metro funds and federal and state grants.

Federal COVID-19 Relief Funds. MTA anticipates using the remainder of its federal pandemic relief funds in fiscal year 2025. The depletion of these funds will further increase MTA’s reliance on Metro funds and traditional federal and state grants.

Metro Funds. As a core financial assumption of the Choose How You Move Program, Metro must continue to provide annual funding for MTA and RTA baseline services (i.e., current services levels operated today and current capital program levels). If these funding levels are not provided, WeGo will not be able to advance the services and initiatives put forward in the Choose How You Move Program. Consideration needs to be given to the possibility that Metro funding for baseline service levels will not be awarded in future years at assumed levels. Management is considering strategies and approaches that could be implemented in future years if assumed Metro funding levels are not provided.

Grant Management. MTA heavily relies on grant funding for operating and capital needs. With lower farebox revenues and federal COVID-19 relief funds fully depleted by the end of this fiscal year, traditional federal and state grant funding is now even more critical. It is imperative that the controls surrounding grant revenue remain strong and that staff properly identifies and accounts for all revenues in a timely manner. Grant compliance is carefully monitored through quarterly reports to the Federal Transit Administration (FTA), and most grants are audited annually by independent auditors and every three years during triennial reviews by the FTA. However, the last site visit by FTA was in 2019 and the last site visit by TDOT was in 2016.

Medical Claim Payments. WeGo is self-funded for all medical payments for a base amount of coverage per employee with separate excess insurance coverage in place for catastrophic claims. All claims are managed by a third-party administrator and monitored on a weekly and monthly basis. As WeGo begins to advance the Choose How You Move Program over the next few years, including significant increases in headcount, this area will continue to be a key focus area.

Workers’ Compensation Payments. WeGo is also self-funded for all workers’ comp injury claims up to \$500,000 per occurrence with separate excess insurance coverage for catastrophic injuries. Cumulative injury claims over the last several years have trended down, but one major accident in FY2024 resulted in significant costs to the agency, as noted in the year-end budget report. As WeGo begins to advance the Choose How You Move Program over the next few years, this area will continue to be a major focus. Management will continue to hold monthly review meetings with our new third-party administrator, Charles Taylor, to analyze what types of injuries are occurring, identify trends, and consider strategies for how to prevent them from happening in the future, reduce the number of claims, and lower the severity of the accidents that occur. Management also focuses on identifying repeat offenders and conducting any necessary investigations into possible abuse of the system.

Payroll Processing. WeGo processes payrolls every two weeks. Labor expenses are the most significant budget line item, and MTA currently uses ADP for all payroll processing. It is imperative that the controls surrounding the payroll process be maintained and monitored to ensure accurate pay and combat fraud or incorrect reporting of time worked. We follow detailed processes and procedures to ensure accurate reporting. All payrolls are reviewed in detail prior to submission to ADP for processing. We also have periodic refresher training to ensure that all managers are properly

trained and familiar with the pay approval process. MTA's payroll process is reviewed annually by our independent auditing firm as a part of the annual audit.

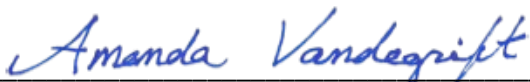
Accounts Payable. The policies and procedures surrounding accounts payable and procurement are well documented and followed. It is rare for an invoice to be missed. Payables are generally paid within 30 days with some payables reaching up to 60 days, especially when associated with reimbursement grant funding. We continue to refine the procurement and invoice flow process to better define and outline the necessary steps for purchasing and invoice payment and looking for ways to automate and track invoices electronically. As noted above, management is currently advancing the implementation of an ERP system to streamline processes and lower risk. Additionally, MTA's policies and procedures are reviewed and tested annually by our independent auditors.

Account Receivables. Accounts receivables are reconciled monthly and generally involve very small dollars from small agencies and customers. The larger-dollar customers involve our contracted WeGo Ride customers, who are monitored monthly and rarely exceed 30 to 60 days for payment receipt.

CURRENT STATUS:

Deputy CEO of Finance and Administration Amanda Vandegrift will be available to answer questions.

APPROVED:



Deputy CEO of Finance and Administration

1/23/2025

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Information Item Committee Discussion Item Committee Action Item Board Discussion Item

Item Number:	M-I-25-003	Meeting Date:	1/23/2025
Item Title:	Annual Conflict of Interest Discussion		

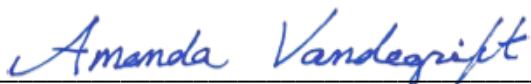
BACKGROUND:

Staff annually documents potential decisions or recommendations that could appear to be a conflict of interest between the Management Contract MTA has with the Regional Transportation Authority (RTA) to manage the RTA. A past performance audit for the RTA pointed out the need to review any areas that could be perceived to raise the potential for a conflict of interest between the MTA and the RTA since the MTA manages the RTA. Management will continue to conduct an annual review of actions that could be perceived as raising a conflict of interest to discuss mitigating factors with the Board.

CURRENT STATUS:

The attached report represents the areas management has identified where a decision or recommendation was made that could appear to cause a potential for conflicts of interest for the two agencies as well as action taken to mitigate any conflicts. Deputy CEO of Finance and Administration Amanda Vandegrift will be available to answer questions.

APPROVED:



Deputy CEO of Finance and Administration

1/23/2025

Date

Nashville MTA and RTA Potential Conflicts of Interest

Potential or Perceived Conflicts	Mitigation
<p><u>MTA/ RTA Management Annual Fee</u> RTA has a five year contract expiring June 30, 2026 with Nashville MTA for management services at a set annual rate that can be adjusted on an annual basis. What is considered a reasonable rate for RTA to pay for management services? How often should RTA go out to bid for the management services?</p>	<p>Analyze and review division of staff time spent on MTA and RTA business and the reasonableness of the contract amount considering RTA's overall general and administrative expense compared to total operating expenses. The MTA and RTA boards are separate, have no overlap, and have separate charters. Both boards approve the management fee on an annual basis.</p>
<p><u>MTA/RTA Transit Services Operating Contract</u> RTA contracts annually with MTA for regional bus services in the Southeast Corridor and connection urban bus services for the Music City Star commuter rail at Riverfront Station in downtown Nashville. Who decides how many hours of service should be provided? What is a reasonable contractual hourly rate to charge for the services?</p>	<p>Perform annual cost per hour analysis to determine a reasonable hourly rate. Analyze the reasonableness of the hourly rate based on comparisons to what would be charged by RTA through a competitive bid process. Discuss appropriate service levels with both boards.</p>
<p><u>Emergency Bus Service Support for Unscheduled Services</u> Rarely, RTA is in need of unanticipated emergency bus service in response to operational issues on the Star, the Rutherford County service provided by MTA, or regional bus service provided by Gray Line. What is a reasonable contractual rate for these services?</p>	<p>MTA charges the rate established in the transit services operating contract. This is not a material item as these type emergency services are rare.</p>
<p><u>Cashflow between MTA and RTA</u> There are times during the fiscal year that RTA can be slow paying for transit services or their management fee due to RTA's cashflow and MTA accommodates this and has at times gone out 90 days for receivables from RTA.</p>	<p>Being transparent to the respective MTA and RTA boards in reporting A/R and A/P agings on a monthly basis.</p>
<p><u>Allocation of Regional Formula Funding</u> Each year, the Nashville Region receives approximately \$40 million in federal 5307, 5339, and 5337 formula funds. The Greater Nashville Regional Council (GNRC) determines allocations based on a discussion of needs with the four eligible recipients in the region (MTA, RTA, Franklin Transit, and Williamson County).</p>	<p>The Greater Nashville Regional Council (GNRC) is responsible for the distribution of all federal formula grants for the Nashville metropolitan planning area. All projects that use federal grants must be in GNRC's Transportation Improvement Plan (TIP). GNRC approves the allocation of formula funding in discussion with the four eligible recipients, considering agency needs and specific priority projects identified in the TIP. GNRC is currently considering the implementation of a formal 5307 allocation methodology in future years, which would be informed by methodologies that are currently used by other regional peers.</p>
<p><u>Discretionary Grant Applications</u> Grant applications for different federal and state discretionary funding opportunities are submitted throughout the year for different MTA and RTA projects and initiatives. How are grant strategy decisions determined for MTA and RTA priorities?</p>	<p>Management pursues grant opportunities for both agencies based upon eligibility, competitiveness, and agency needs identified in the Board approved capital plans that would not be covered by annual formula grant funding (Federal 5307, 5339, and 5337).</p>

Nashville MTA and RTA Potential Conflicts of Interest

Potential or Perceived Conflicts	Mitigation
<p><u>Park and Ride Lots</u> Park and ride lots are critical to the success of RTA's regional bus program and the Music City Star. While RTA owns all the lots located at the train stations, most regional bus park and ride lots are not owned. Which agency should receive grant funding for park and ride lots?</p>	<p>Management continues to discuss the priority for park and ride lots for each agency with their respective boards to determine how any grant funding should be used.</p>
<p><u>StriDe Youth Program</u> MTA has an agreement with Metro Nashville Public schools that allows Metro students to ride MTA buses at \$0.70 per ride and staff at \$1.25 per ride paid by Metro Schools. There are some students using RTA regional bus and train services under both programs.</p>	<p>MTA reimbursed the RTA approximately \$16,412 for rides provided during FY2024. This reflects approximately 8,206 rides being provided for the fiscal year. Currently MTA reimburses RTA based upon RTA's published fare schedule.</p>
<p><u>Revenue Sharing for WeGo Ride Program</u> The agencies entered into an agreement to split revenues for a program targeting businesses to provide public transportation services to their employees based on the number of employees as opposed to the per swipe program.</p>	<p>Per the Revenue Sharing Agreement approved by both boards, the revenues from the program are allocated on a percentage basis of the weighted average of the rides provided by mode calculated at each mode's respective full fare price. The allocation method was reviewed by both boards and the revenue splits results are presented annually.</p>
<p><u>Quick Ticket Fare Collection System Back Office Expenses</u> In 2022, MTA launched a new account based fare collection system called QuickTicket. The RTA Board approved adoption of the QuickTicket system to help create a more seamless system operating under the brand name of WeGo Public Transit. RTA agreed to share in the annual costs of the new system, including the back office internal support costs and maintenance fees. What should RTA's share be to operate the fare collection system?</p>	<p>The annual costs identified to operate the QuickTicket system consist of Metro IT fees with Metro IT housing all the servers for the system and the annual contract maintenance fees for the system. A cost sharing formula was developed based upon four criteria: 1) ridership 2) fare revenues 3) pieces of equipment and 4) dollar value of the equipment. A weighted average is calculated between MTA and RTA to determine each agency's share to operate the QuickTicket system annually.</p>

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Information Item Committee Discussion Item Committee Action Item Board Discussion Item

Item Number:	M-I-23-004	Meeting Date:	1/23/2025
Item Title:	Monthly Operating Statistics		

BACKGROUND:

Attached are monthly operating statistics through November 2024.

While ridership continues to grow, we are also seeing consistent year-over-year decreases in bus on-time performance. Although dedicated bus lanes are most effective for tackling this issue, WeGo is also exploring other approaches to improving service reliability, with a focus on maintaining consistent wait times on frequent service routes. This strategy, known as headway management, focuses less on schedules and more on relative spacing between buses.

WeGo was recently awarded nearly \$2 million in Federal discretionary funds through the competitive US Department of Transportation SMART Grant program to develop and deploy an advanced prototype headway management system on Route 55 Murfreesboro, our most heavily utilized yet least reliable corridor. This project will use technology such as Transit Signal Priority, GPS tracking, and live video feeds to monitor vehicle spacing in real time and implement active service interventions designed to maintain service regularity. WeGo is partnering with various entities, including Vanderbilt University and the Nashville Department of Transportation and Multimodal Infrastructure, as well as technology vendors, to complete the project.

CURRENT STATUS:

Chief Operating Officer Andy Burke will be available to answer specific questions regarding the monthly operating statistics.

APPROVED:



Chief Operating Officer

1/23/2025

Date

Operations Dashboard Report

	November 2024	November 2023	Pct. Change	Goal	Indicator
Ridership					
Bus Ridership	728,786	698,063	4.4%		
Access Ridership	32,754	31,813	3.0%		
Total Ridership	761,540	729,876	4.3%	780,000	▲
Productivity & Efficiency					
Bus Passengers per Revenue Hour	15.22	15.76	-3.4%	15.40	▲
Access Passengers per Revenue Hour	1.53	1.69	-9.8%	1.60	▲
Cost Per Scheduled Revenue Hour	\$182.46	\$166.22	9.8%	\$155.47	◆
Safety					
Total Collisions per 100,000 miles	5.2	5.9	-11.9%	4.0	◆
Preventable Collisions per 100,000 miles	2.5	2.9	-13.8%	2.2	◆
Service Quality					
Bus Trip Completion	99.73%	99.88%	-0.16%	99.75%	▲
Bus On-Time Performance	81.7%	85.0%	-3.3%	85.0%	▲
Access On-Time Performance	92.8%	92.8%	0.0%	93.0%	▲
Maintenance					
Bus Miles Between Road Calls	12,204	7,136	71.0%	6,500	●
Access Miles Between Road Calls	127,068	57,154	122.3%	20,000	●
Customer Care					
Bus Passengers per Complaint	3,836	2,695	42.3%	3,000	●
Access Passengers per Complaint	630	325	94.0%	350	●
Percent of Calls Answered	89.9%	89.8%	0.1%	92.0%	▲
Staffing					
% of Operator Positions Filled	91.4%	96.8%	-5.4%	92.0%	▲
% of Maintenance Positions Filled	85.7%	87.1%	-1.4%	92.0%	▲
Customer Amenities					
% of Stops with Shelters (including Central)	21.1%	19.4%	1.7%	20.0%	●
% of Boardings at Covered Stops (including Central)	76.6%	72.4%	4.1%	74.0%	●

● Exceeding Goal ▲ Within 10% of Goal ◆ More than 10% off Goal

Operations Dashboard Report

	FY2025 November 2024	FY2024 November 2023	Pct. Change	Goal	Indicator
Ridership					
Bus Ridership	3,842,580	3,550,900	8.2%		
Access Ridership	169,655	161,877	4.8%		
Total Ridership	4,012,235	3,712,777	8.1%	3,900,000	●
Productivity & Efficiency					
Bus Passengers per Revenue Hour	15.53	16.27	-4.6%	15.40	●
Access Passengers per Revenue Hour	1.60	1.69	-5.7%	1.60	▲
Cost Per Scheduled Revenue Hour	\$154.32	\$153.67	0.4%	\$155.47	●
Safety					
Total Collisions per 100,000 miles	5.6	5.3	6.4%	4.0	◆
Preventable Collisions per 100,000 miles	3.0	2.7	12.7%	2.2	◆
Service Quality					
Bus Trip Completion	99.65%	99.83%	-0.18%	99.75%	▲
Bus On-Time Performance	81.6%	82.5%	-0.8%	85.0%	▲
Access On-Time Performance	91.4%	93.0%	-1.6%	93.0%	▲
Maintenance					
Bus Miles Between Road Calls	9,529	6,360	49.8%	6,500	●
Access Miles Between Road Calls	26,836	23,796	12.8%	20,000	●
Customer Care					
Bus Passengers per Complaint	2,960	2,834	4.5%	3,000	▲
Access Passengers per Complaint	425	299	42.4%	350	●
Percent of Calls Answered	88.3%	84.7%	3.5%	92.0%	▲
Staffing					
% of Operator Positions Filled	91.3%	96.4%	-5.1%	92.0%	▲
% of Maintenance Positions Filled	85.8%	87.5%	-1.7%	92.0%	▲
Customer Amenities					
% of Stops with Shelters (including Central)	19.4%	19.4%	-0.1%	20.0%	▲
% of Boardings at Covered Stops (including Central)	74.7%	72.4%	2.2%	74.0%	●

● Exceeding Goal ▲ Within 10% of Goal ◆ More than 10% off Goal

Operations Dashboard Glossary

Metric	Definition
Ridership	
Bus	Total fixed route passenger boardings on all WeGo operated services
Access	Total paratransit boardings (WeGo vehicles and third-party service providers, and Access-on Demand ridership)
Total	Total Bus & Access ridership combined
Percentage of Pre-Pandemic Ridership	Total ridership for the current period divided by total ridership for the same period in Fiscal Year 2019
Productivity & Efficiency	
Bus Passengers per Revenue Hour	Total fixed route passenger boardings divided by total scheduled fixed route revenue vehicle hours. Revenue vehicle hours is the time (in hours) when the bus is providing service to the general public
Access Passengers per Revenue Hour	Total fixed route passenger boardings divided by total scheduled fixed route revenue vehicle hours. Revenue vehicle hours is the time (in hours) when the bus is providing service to the general public
Total Cost Per Scheduled Revenue Hour of Service	Total fully allocated cost to deliver service divided by the total scheduled revenue hours. Revenue vehicle hours is the time (in hours) when the bus is providing service to the general public
Safety	
Miles Between Total Collisions	Total number of Collisions divided by total number of revenue miles multiplied by 100,000. An Collision is defined as any time the vehicle makes contact with something other than the road resulting in any damage and/or injuries
Miles Between Preventable Collisions	Total number of Collisions determined to be preventable divided by total number of revenue miles multiplied by 100,000. A preventable Collision is defined as an Collision in which the Operator did not do everything reasonably possible to avoid the collision
Service Quality	
Bus Trip Completion Percentage	Percentage of one-way fixed route revenue trips completed versus scheduled. Includes partial missed trips
Bus On-Time Performance	Percentage of total scheduled fixed route timepoint departures occurring between 59 seconds early and 5 minutes 59 seconds late as recorded by the Automated Vehicle Location (AVL) system. Arrivals are used for on-time performance calculations for the last stop of the trip, with early arrivals at end of line considered as on-time
Access On-Time Performance	Percentage of total scheduled paratransit trips, not including Access-on-Demand or WeGo Link, where vehicle arrives no later than 59 seconds outside of the scheduled pick-up window

Operations Dashboard Glossary

Metric	Definition
Maintenance	
Bus Miles Between Road Calls	Any mechanical or system failure of any nature (excluding accidents) occurring on an MTA-operated vehicle in fixed route revenue service that causes the vehicle to be removed from service.
Access Miles Between Road Calls	Any mechanical or system failure of any nature (excluding accidents) occurring on an MTA-operated vehicle in paratransit (Access) revenue service that causes the vehicle to be removed from service.
Customer Care	
Bus Passengers Carried per Complaint	Total fixed route passengers divided by total fixed route customer complaints.
Access Passengers Carried per Complaint	Total paratransit (WeGo and third-party service providers) passengers divided by total paratransit customer complaints.
Percent of Calls Answered	Percentage of calls received that were answered. Unanswered calls are calls that are lost for any reason once in the customer call phone queue.
Staffing	
% of Operator Positions Filled	Total WeGo Operators available divided by total number of operator positions budgeted for service. Part-time Access operators are not included
% of Maintenance Positions Filled	Total WeGo Maintenance positions available divided by total number of maintenance positions budgeted for service. All maintenance and cleaning positions for vehicles and facilities are included
Customer Amenities	
% of Stops with Shelters (including Central)	The total number of stops with shelters divided by total number of stops WeGo operates.
% of Sheltered Boardings (including Central)	The total number of riders who boarded with a shelter (including WeGo Central boardings) divided by the total number of riders for the time period.

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

List of Upcoming Procurement Projects

Meeting Date: 1/23/2025

Item #: M-I-23-005

Project Name: Enhanced Mobility of Seniors and Individuals with Disabilities (EMSID)

- **Brief Description:** Implement a new contract that provides eligible organizations to assist with Coordinated public transit-human Services Transportation Plan (CPT-HSTP)
- **Anticipated Publish Date:** January 2025
- **Estimated Individual Contract Value:** TBD

Project Name: Job Access Reverse Commute (JARC)

- **Brief Description:** Implement a new contract that provides eligible organizations with assistance with a Coordinated public transit-human Services Transportation Plan (CPT-HSTP)
- **Anticipated Publish Date:** January 2025
- **Estimated Individual Contract Value:** TBD

Project Name: Internal Strategic Master Plan

- **Brief Description:** WeGo seeks to award a contract(s) to one or more consulting firms to provide expertise and consulting resources on an as-needed basis for Management Consulting Services supporting the organization's overall strategic planning and organizational development.
- **Anticipated Publish Date:** February 2025
- **Estimated Individual Contract Value:** TBD

Project Name: Central Horseshoe Safety Improvement Project

- **Brief Description:** WeGo is seeking qualified contractors to make improvements to operator and pedestrian safety at Central.
- **Anticipated Publish Date:** February 2025
- **Estimated Project Value:** TBD

Project Name: Executive Recruiting Services (DTO)

- **Brief Description:** Contract to provide recruitment services for upcoming Management and executive-level positions.
- **Anticipated Publish Date:** February 2025
- **Estimated Individual Contract Value:** TBD

Project Name: Annual Auditing Services (RTA)

- **Brief Description:** A Request for Proposal (RFP) will be issued seeking a contract to provide the RTA Financial Auditing Services. The current contract is set to expire on June 21, 2025.
- **Anticipated Publish Date:** March 2025
- **Estimated Project Value:** TBD

Project Name: Nestor Maintenance Bays

- **Brief Description:** Expansion of maintenance bays to improve service.
- **Anticipated Publish Date:** March 2025
- **Estimated Project Value:** TBD

CURRENT STATUS:

Pursuant to earlier board discussions, staff will provide the board with a monthly rolling list of upcoming procurements. Staff requests that members make them aware of any potentially interested suppliers for planned procurement activity.

No discussion is planned at the meeting unless board members have questions. This material is provided for information only.

APPROVED:



Chief of Staff & Administration

1/23/2025

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-25-001	Meeting Date:	1/23/2025
Item Title:	Approval for Retrofitting Driver Protective Barriers		

BACKGROUND:

In September of 2024, the Federal Transit Administration (FTA) issued a General Directive (24-1) to address the significant and continuing national-level safety risk related to assaults on transit workers. The General Directive requires each transit agency subject to FTA's Public Transportation Agency Safety Plans (PTASP) Final Rule to conduct a safety risk assessment, identify safety risk mitigations or strategies, and provide information to FTA on how it is assessing, mitigating, and monitoring the safety risk associated with assaults on transit workers.

To address this issue, the Safety and Security Departments recommend retrofitting 93 buses in our current fleet with Arrow Max driver protective barriers based on data collected from an independent contractor after completing a system-wide safety risk assessment. These barriers are designed to create a more secure environment for operators, reducing the risk of assault while they perform their duties.

Implementing these barriers will ensure WeGo's compliance with the Federal Transit Administration's (FTA) newly established Transit Agency Safety, Security, and Risk Mitigations for Transit Worker Assaults program. This program emphasizes the importance of barriers and other preventative measures to safeguard transit workers from assaults.

Approval is requested to proceed with retrofitting the identified buses with driver protective barriers to enhance operator safety and align with FTA compliance requirements. Upon board approval, the Procurement Department will issue an amendment to the Gillig contract to include the requested driver protective barriers as spare parts and increase the contract value by \$558,045. Additionally, two quotes were solicited for the installation services. Coach Crafters, with a bid amount of \$102,300, has been selected to install all barriers.

RECOMMENDATION:

Staff recommends that the Board authorize the Chief Executive Officer to purchase barrier retrofits for 93 buses at a not-to-exceed price of \$726,379. This project was part of the FY 2024 Capital Plan and will utilize Federal 5307 formula funding with a 10% State and 10% local match.

APPROVED:

Board Secretary

1/23/2025

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Information Item Committee Discussion Item Committee Action Item Board Discussion Item

Item Number:	OF-D-25-001	Meeting Date:	1/23/2025
Item Title:	Operations 2024 Special Events Review		

BACKGROUND:

In 2024, WeGo Public Transit successfully organized and participated in a variety of special events designed to enhance community engagement, promote sustainable transportation, and increase awareness of our fixed-route bus services. These initiatives have strengthened our relationships with customers and community partners, while also demonstrating our ongoing commitment to the communities we serve.

WeGo conducted special services for major events such as the CMA Music Festival, the St. Jude Rock and Roll Marathon, and Touch-a-Bus programs for local elementary schools. However, three specific initiatives stand out as especially impactful:

- New Year's Eve Service:** WeGo saw a 36% increase in ridership compared to the previous year, with 7,000 passengers utilizing bus services after 6 p.m. Over 2,200 passengers took public transit after midnight, marking a 58% increase from the previous year. Proudly, this increased service was provided with zero accidents, ensuring the safety and satisfaction of all riders.
- Tennessee Titans Partnership:** WeGo continued our successful partnership with the Tennessee Titans to offer free fares for fans traveling to and from home games. During the 2024 season, an estimated 6,000 fans used public transit to reach Nissan Stadium. For the first time, WeGo buses were given priority access near the stadium on game days, thanks to our collaboration with the Metro Police Department.
- Choose How You Move Campaign:** WeGo supported the mayor's office initiative by providing bus services and personnel at 35 events throughout the year, intended to inform and educate the general public about public transportation services and the elements of the Choose How You Move Transportation Improvement Program.

These initiatives have not only improved access to transportation but have also reinforced WeGo's role as a vital community partner in supporting sustainable mobility and public safety.

CURRENT STATUS:

Following a successful 2024, the team is focused on leveraging lessons learned for continuous improvement to improve access to community events in 2025. At the Board's January meeting, Director of Operations Nick Pecenka will provide an overview highlighting some of these special event services and efforts to enhance our organizational presence in 2025.

APPROVED:



Chief Operating Officer

1/13/2025

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-25-004	Meeting Date:	1/23/2025
Item Title:	MTA Code of Conduct Revisions		

BACKGROUND:

Since its inception in 2008, the MTA Code of Conduct has proven to be a useful tool in our efforts to provide a safe, clean, and comfortable environment for our customers who ride MTA buses and vans and others who visit The Elizabeth Duff Transit Center at WeGo Central and other MTA facilities. This policy improves the transit experience for passengers and provides guidance to our security personnel, operations supervisors, and subcontracted security support.

Recently, WeGo's Chief of Staff and Administration, in collaboration with the Chief Safety and Security Officer and General Counsel, reviewed the current Code of Conduct because of the need to update with the WeGo logo, broaden the language for potential growth in the development of transit centers, bus stops and other assets across Nashville. Additionally, we updated the Code of Conduct summary because the summary serves as the condensed language that is normally used throughout the enterprise and is placed on signage throughout most MTA properties for the public's viewing. We requested the assistance of MTA's General Counsel with these revisions and are recommending proposed changes.

Through this revision process, the substance of the document was not changed, but the language was broadened to encompass all MTA properties so as to prepare for our continuous growth and development of the transit landscape within Nashville. The most significant change is the renaming of the Code of Conduct from "**MTA Code of Conduct**" to "**WeGo Code of Conduct**". This is being done to reflect the WeGo brand name that's reflective on our assets throughout the city of Nashville.

Other changes include a reference to: 1) change from MTA to WeGo where appropriate throughout the document; 2) under Appeals directed to CEO: we added additional "designee" terms that was missing from the previous revision; 3) remove any reference of Music City Central or MCC from the document and changed to the appropriate reference as "MTA Property"; 4) updated the Code of Conduct summary to reflect the need to have a ticket, fare or pass to be on the MTA property in order to board the next available bus; 5) added no private "services" on MTA Property without express written consent of WeGo; and 6) added language on the prohibition to use on MTA property, shared urban mobility devices such as (e-scooters, e-bicycles); 7) added language within requirements and responsibilities of all passengers that "individuals must cooperate with any WeGo official, security officer or police officer" within the Code of Conduct summary.

RECOMMENDATION:

The WeGo staff recommends the Board to approve the revisions to the Code of Conduct.

APPROVED:

Board Secretary

1/23/2025

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Board Action Item

Item Number:	M-A-25-005	Meeting Date:	1/23/2025
Item Title:	WeGo Facility Use Agreement for MTA Properties		

BACKGROUND:

The Metropolitan Transit Authority's ("MTA") facilities' primary purpose is to provide efficient connections among community corridors and improve transit access to residential, recreational, and employment areas across the Nashville area. MTA also recognizes a general benefit when it's facilities are used for non-transit-related purposes and events that will not interfere with or conflict with the primary facility operations. These events are important to build community goodwill and to activate spaces surrounding our facilities to enhance perceptions of security and community belonging.

WeGo Public Transit ("WeGo") brings forth to this Board the request to allow for the lease of space within and around the transit facilities for both commercial and non-commercial purposes that will not be violative of the Code of Conduct. WeGo has worked with MTA's General Counsel and its insurance liability consultants (Gallagher Risk Management Services) to assess risks and determine the proper insurance coverages, respectively, if an outside party uses facility space for a non-transit-related purpose. The document that will be used is a facility use agreement, which outlines the terms and conditions for the use of the facility and the expectations of the lessee and provides hold harmless/indemnification language for MTA and its representatives. Currently, under a similar process and agreement with the Regional Transportation Authority of Middle Tennessee ("RTA"), if an application for use is approved, RTA properties are leased for \$500.00 to \$2,000.00 per event, depending on the length of the event and staff needed. It is further believed that utilizing the MTA properties for additional purposes can only enhance the image of transit facilities with normal ridership and tourists that may mobilize between corridors.

RECOMMENDATION:

The WeGo staff recommends the MTA Board provide the Chief Executive Officer the authority to enter into subsequent facility use agreements with outside parties for the use of the MTA transit facilities that involve activities and events on MTA properties for non-transit related purposes that don't conflict with transit business operations.

APPROVED:

Board Secretary

1/23/2025

Date

Nashville Metropolitan Transit Authority

of Nashville & Davidson County, Tennessee

Information Item Committee Discussion Item Committee Action Item Board Discussion Item

Item Number:	NICE-D-25-001	Meeting Date:	1/23/2025
Item Title:	FY2025-2026 MTA Budget Proposal to Metro Finance		

BACKGROUND:

Earlier this week, Metro issued its annual call for operating budget submissions. As the February 7th departmental submission date precedes the Board’s February meeting, staff would like to discuss and solicit feedback on current operating trends and key directional issues during the Board’s January meeting. Like prior years, Metro will follow the “Baseline/Investment” format, where (1) MTA submits a baseline or “status quo” budget for FY2025-26 assuming we carry forward the same activities of the current fiscal year and (2) MTA submits investment requests reflecting new and/or expanded initiatives that further Metro Nashville’s overall goals and objectives. These investment requests will now include initiatives proposed in the voter approved Choose How You Move Program. With the filing of the mayor’s budget at the end of April, and Council deliberations through May, we will continue to gain more insight into our anticipated appropriation and will plan to have more a detailed discussion with the Board prior to adoption of the FY2025-26 budget in June.

Baseline Budget Request

We will be requesting an increase in our baseline funding amount from Metro Nashville of approximately \$11.3 million (or 15%). This anticipated FY2025-26 request is summarized in the table and explained in detail below.

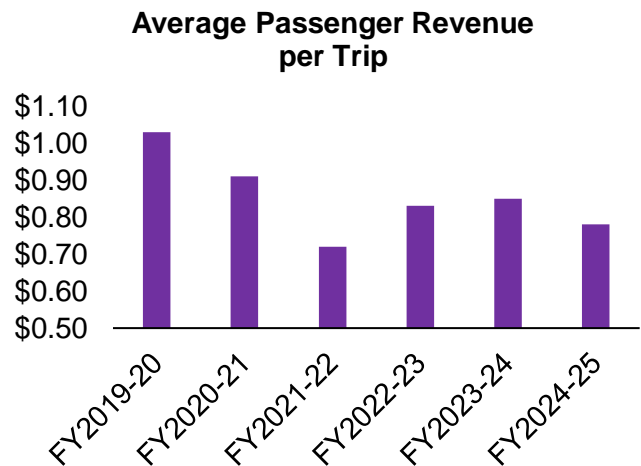
Budget Element	Amount
FY2024-25 Metro Operating Allocation	\$77,365,900
Total Requested Increase in Baseline Funding from Metro	\$11,300,000
Full Year Operation of New Services Initiated in FY2023-24	\$ 4,000,000
Impacts of Cost Escalation and Collective Bargaining Agreement	\$ 4,900,000
Operating Revenue Impacts of Customer-Focused Initiatives	\$ 2,400,000
Total Appropriations Request	\$88,665,900

Full Year Operation of New Services Initiated in FY2023-24: MTA implemented two rounds of service expansion during FY2023-24. Most of these improvements supported the opening of the Dr. Ernest Rip Patton Jr. North Nashville Transit Center with the new 71 Trinity Crosstown and enhanced frequency and expanded hours and days of operation on routes 9, 14, 22, 42, 75, 77. Additional operating expenses were incurred with the opening of the new facility, including utilities, custodial and security services, and expanded operations supervision. As in prior years, we “seed funded” these services using federal pandemic relief funding, with the understanding with Metro that we would include the operating costs in our FY2024-25 proposal. However, due to economic constraints in the FY2024-25 Operating Budget, Metro’s appropriation of \$77,365,900 fell short of the \$81,200,600 required to support this expense increase on a structural basis. This required that we use the last of our federal pandemic relief funds to continue the services in FY2024-25. This will no longer be an option in FY2025-26 because federal pandemic relief funds will be fully expended. We are requesting a “makeup” of this funding (plus inflation) in FY2025-26, which equates to approximately \$4 million.

Impacts of Cost Inflation and Collective Bargaining Agreement: Although the rate of inflation has slowed considerably compared to recent years, expenses remain at an elevated level. For the upcoming year, we are forecasting an increase of 4% in general inflation. We successfully concluded bargaining with ATU local 1235 this past year, with a projected increase in wage rates of 4% for this budget year, consistent with national trends. In addition to general inflation, this request reflects an increase in baseline customer-focused expenditures, including contracted security services and increased demand for WeGo Access services resulting in higher contracted service expenses. Overall, cost escalation comprises approximately \$4.9 million of our baseline increase request.

Operating Revenue Impacts of Customer-Focused Initiatives:

Ridership continues to rise and is currently above pre-pandemic levels. At the same time, various policy decisions have been made to achieve rapid ridership recovery, improve the overall public perception of the system, expand institutional partnerships, and lower transportation costs for many in our community, particularly the transportation disadvantaged. However, these decisions also led to a 24% reduction in our average operating revenue per passenger, decreasing from \$1.03 in operating income per passenger in FY2019-20 to \$0.78 in the adopted FY2024-25 operating budget. Overall, the total operating income impact of these programs contributes approximately \$2.4 million toward our baseline increase request.



Key policy and programmatic decisions leading to this decrease in per capita passenger income include:

Fare Capping. The MTA Board adopted a fare capping policy with the implementation of the QuickTicket system. Our base fare was last increased in 2019 from \$1.70 to \$2.00 in conjunction with other fare structure changes and service reductions to address state funding cuts. The adoption of fare capping improved convenience for riders, reduced administrative burden, and reduced travel costs for users. Today, once a QuickTicket account has been charged \$4.00 on any given day or \$65.00 in any given calendar month, riders can ride an unlimited number of times without any additional charge. QuickTicket riders can also ride as many times as they like for \$2.00 over a 2-hour period, including transfers, return, or same direction trips.

WeGo Ride Institutional Partnership Program. Over the years, MTA's traditional "Easy Ride" program had become stagnant at about 20 institutional partners. While the program made up nearly 9% of total ridership in 2018, most of that ridership was from four partners: the State of Tennessee, Metro Nashville Public Schools, Vanderbilt University and Metro Nashville Government. Prospective partners found administration of the program burdensome, were concerned about what the program might cost them, and wanted a consolidated program between MTA and RTA. With the implementation of QuickTicket, program changes became more practical. The Board approved piloting a deeply discounted fee structure for institutional partners and rebranded to the "WeGo Ride" program in 2019. Since that time, the number of institutional partners has grown from 20 to 53, and ridership by individuals using WeGo Ride sponsored fare media has increased to 16% of total ridership. However, average revenue is at just about the system average of \$0.80 per ride, with wide variability among partners. Another related issue within the WeGo Ride program is our current arrangement with the Historically Black Colleges and Universities (HBCU's). Historically, these institutions (Tennessee State University, Fisk University, Meharry Medical College and American Baptist College) had not participated in the program like other institution (i.e., Lipscomb, Belmont, Vanderbilt, etc.) have. Two years ago, Metro Council appropriated special funding through Metro's pandemic relief funds to pay for their inclusion in the program. This funding will be fully depleted by the end of FY2024-25, and we have not received any indication that these educational institutions will be able to sustain the program in the future. Continuation of this program is included as part of our FY2025-26 baseline request.

Social Service Subsidy Programs. Most significantly, the MTA partnered with the Metro Nashville Office of Homeless Services to provide free bus passes to persons experiencing homelessness under two programs – an "adverse weather" card so individuals experiencing homelessness during cold weather can access emergency shelters and a "Connector Card" program enabling those individuals accessing homeless services to use bus service for free. During 2024, ridership on these two programs exceeded 500,000 with no accompanying income.

Community Impact Partnerships. In December 2023, the Board adopted a policy change for messaging on our assets that fundamentally altered MTA's transit advertising program. The new "Community Impact Partnership" model has generated some notable early partnerships (including the Tennessee Titans, Nashville SC, and TDOT), but the direct revenue generated by the prior advertising program has been mostly replaced with other benefits, such as free fares for our customers on Titans home game days and promotional considerations. Response to the transition has been very positive, with broad recognition of the improved appearance of our physical assets and the new partnerships. This is particularly apparent to "non-

traditional” rider groups, where we are observing an increase in new riders trying our services for the first time. As we fully transition to the CIP model over the next few years, we anticipate some growth in cash revenue. However, we do not anticipate reaching levels generated by our prior traditional advertising program, which at its peak made up just 1% of MTA’s operating budget.

Investment Requests

MTA’s operating budget process will see significant changes following voter approval of the Choose How You Move Transit Improvement Program on November 5, 2024. With this approval, MTA will now be able access additional local funding for key expansion initiatives in our capital and operating budgets. The 0.5% sales tax surcharge, overwhelmingly approved by nearly 2/3rds of Davidson County voters, recently survived a legal challenge. While collections are currently scheduled to begin February 1st and most expect the surcharge will remain in effect, any future appeals to this court decision may delay Metro Nashville’s ability to obligate funding to projects and services. Assuming no further delays, we will be requesting a total of \$93.3 million in operating investment requests, including the potential for initial supplemental investment funding near the end of this fiscal year (FY2024-25). Broadly, our investment requests will fall into five (5) categories:

1. System Safety & Security: Investments to enhance our security presence based on findings in the Marine Tiger evaluation report, and our ongoing discussions with the Metro Nashville Police Department. These will include an expanded presence of our contracted security staff (including mobile security patrols to cover bus stops and on-board activity), an expansion of our arrangements with the Metro Nashville Police Department for coverage under their Secondary Employment Unit, funding to support Marine Tiger’s completion of our System Security Plan and SOP’s, a pilot project to institute a “Transit Ambassador Program” into our operations to support individuals in distress in the system, and the beginning of a cooperative process with Metro and the Metro Nashville Police Department to investigate alternatives to create a “transit-specific policing unit.”
2. System Image and Appearance Initiatives: This initiative is closely aligned with System Safety and Security because a highly positive image and appearance of facilities acts as a deterrent to crime and other negative activity (the “broken windows” theory). In addition, efforts to enhance system appearance will also provide benefit to public perception. These investments will focus on expanded staffing for custodial services and supervision at our facilities, and additional crews supporting stop and shelter maintenance.
3. Service Quality and Reliability: In prior meetings, we have discussed the overall impact of chronic staffing shortages on both budget (increased overtime and subcontracting expense) and service quality (missed trips and degraded on time performance). Recently, we completed the renovation and expansion of our training lot. Under this initiative, the primary focus will be on adding the capacity (primarily through expanded staff and contracted resources) to significantly upgrade our throughput of new operating employees into our bus operator, maintenance technician, and supervisory roles. This includes additional recruiters, contracted recruiting and screening firms, additional trainers, an expansion of our Maintenance Apprenticeship Program, and initiatives to develop our operations and maintenance supervisors. In addition, we are currently collaborating with ATU Local 1235 on initiatives to improve our employee retention statistics, such as mentorship programs and various forms of retention incentives.
4. Capital Program Delivery Readiness: This category includes activities needed to support an expansion of capital project delivery capacity as we work to deliver a new bus operations facility, new transit centers, stop upgrades, All-Access Corridors, and other projects. Primarily, this will involve staff augmentation in the areas of grant development and management, procurement, engineering and construction, and finance. As is currently our practice, we will continue to use capital funding sources to reimburse the operating budget for eligible costs.
5. Direct Service Expansion: Initial service initiatives could include expanded Access on Demand hours of operation, additional WeGo Link Mobility on Demand Zones, and the Low-Income Free Fare Subsidy Project. Extensive expansion of fixed route transit service would be expected to start halfway through the fiscal year, which would require partial year funding. These changes will focus on off-peak/weekend/evening frequency and span enhancements to our higher ridership routes.

We will request approximately \$93.3 million in operating investment requests between two upcoming investment budget requests: a potential FY2024-25 interim investment request and the regular FY2025-26 investment request. These requests are summarized in the table and explained in detail below.

Budget Element	Amount
FY2024-25 Immediate Operating Initiatives	\$ 2,500,000
FY2024-25 Initial Operating Reserve Funding	\$40,200,000
FY2024-25 Reduced Reliance on Federal Capital Funding	\$ 3,500,000
Total FY2024-25 Interim Investment Appropriations Request	\$46,200,000
FY2025-26 Investment Requests	\$30,000,000
FY2025-26 Operating Reserve Funding	\$10,100,000
FY2025-26 Reduced Reliance on Federal Capital Funding	\$ 7,000,000
Total FY2025-26 Investment Appropriations Request	\$47,100,000
Total Investment Appropriations Request	\$93,300,000

FY2024-25 Interim Investment Budget Request: Management is currently working with Metro to identify priority operating projects that could be started immediately using the first few months of Choose How You Move funding. If advanced, this interim FY2024-25 funding request would require Metro Council approval. We anticipate requesting a total of \$46.2 million in interim investments. Key requests may include:

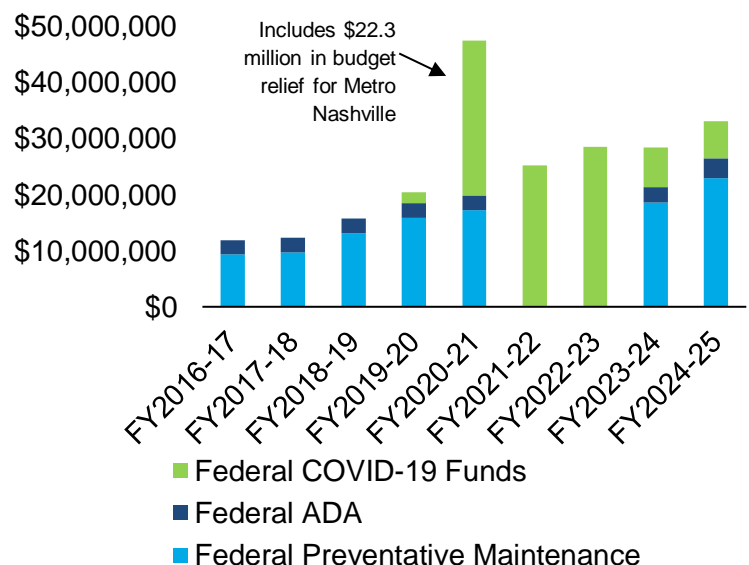
Immediate Operating Initiatives. Key initiatives totaling \$2.5 million could include but are not limited to security enhancements and operating employee recruitment and retention initiatives. This initial funding would not include additional Choose How You Move service enhancements on our fixed route system because these will require several precursor activities such as an increase in staffing levels, acquisition of expansion fleet, and completion of additional transit centers.

Initial Operating Reserve Funding. MTA currently does not have an operating reserve that could be used to fund unanticipated operating revenue reductions or uncontrollable operating cost increases. The Choose How You Move Program included annual operating reserve funding for 30% of MTA’s estimated operating costs (baseline plus investment). Management is currently pursuing the creation of this operating reserve, which would be coupled with our line of credit to provide additional financial stability and increase federal funding competitiveness for the Choose How You Move Program. Initial funding of \$40.2 million is anticipated as part of the interim investment request. Staff will bring additional information for your review, including a proposed operating reserve policy over the next few months.

Reduced Reliance on Federal Capital Funding. For many years, with the original urging of Metro Nashville, MTA has allocated most of its federal capital funding toward the operating budget through two permissible uses by the FTA, preventive maintenance and ADA paratransit. The MTA Board had long expressed the desire to reduce this practice and preserve more capital funds for critical state of good repair needs. In recent years, this need has been mitigated by three significant factors: (1) the availability of pandemic relief funds (fully expended as of FY2024-25), which temporarily allowed MTA to move formula funding back into the capital program; (2) growth in the overall availability of formula funds due to the significant increases in funding provided by the Bipartisan Infrastructure Law; and (3) allocation of capital spending plan funds from Metro Nashville to support significant project funding, including the acquisition of replacement buses and vans.

The Choose How You Move Program will provide significant capital funding for new projects and initiatives, but it notably does not include baseline capital state of good repair funding for the assets we already have. MTA currently uses just 12% or roughly \$3.5 million of our federal 5307 formula fund

Federal Funds for Operating Over Time



apportionment for capital needs. To provide a strong foundation for the Choose How You Move Program, we recommend reserving an initial target of 35% of the MTA's federal 5307 apportionment, which equates to an additional \$7.0 million in funds that could be used to help MTA maintain a state of good repair. Beyond support for MTA's Transit Asset Management program targeted at state of good repair projects, this practice would relieve some pressure on Metro Nashville General funds with respect to future Capital Spending Plan allocations for our state of good repair projects. In addition to the improved stability of our state of good repair program afforded by this reduced reliance on federal funding for operations, we would also see an increase in state funding. Currently, our typical federally funded capital projects are funded with 80% federal funding, 10% matching funds from the state, and 10% matching funds from Metro Nashville. When we divert federal capital funds to the operating budget, we do not receive 10% matching funds from the state. As a result, Metro Nashville is responsible for the full 20% non-federal match. By reducing this diversion of funds, we will receive more state funding. Our budget submission to Metro proposes \$3.5 million for the remainder of FY2024-25 and an additional \$3.5 million in FY2025-26 (to a total of \$7 million), for a total of \$10.5 million. By expanding our federal funding available for capital projects, we will unlock an additional \$1.3 million in state funding that we are currently unable to access.

FY2025-26 Investment Budget Request: Building on the immediate initiatives funded through the interim investment, we anticipate requesting a total of \$47.1 million in FY2025-26 investment requests. Key requests may include:

Annual Investment Requests. This estimated \$30 million request would include additional security enhancements, recruitment and retention initiatives, WeGo Link Zones, and initial fixed route service enhancements. Early enhancements would include an expansion in the number of WeGo Link Zones, expanded hours of operation for the highly popular Access on Demand program, and implementation of a free fare subsidy for low-income individuals as stipulated in the Choose How You Move program. Additional support staff for expanded facility capacity (custodians, stop and shelter crews, etc.) would also be brought on board to support maintenance of our expanding infrastructure. Our Metro operating budget appropriation will be known too late to implement changes on our fixed route system, but we would pursue improvements with our service changes in January 2026, requiring partial-year funding. Anticipated changes would encompass those that will not require new fleet or facilities. Examples include off-peak, evening and weekend frequency enhancements and longer service hours on our Frequent network and higher ridership local routes (3, 18, 23, 50, 52, 55, 56).

Annual Operating Reserve Funding. The first annual request for the newly created operating reserve would include an estimated \$10.1 million in the FY2025-26 investment request to meet the assumed minimum 30% reserve requirement.

Annual Reduced Reliance on Federal Capital Funding. To continue reserving more federal 5307 funds for capital needs, we anticipate another \$3.5 million in FY2025-26 requests to support core system state of good repair investments, for a total request of \$7.0 million.

CURRENT STATUS:

Deputy CEO of Finance and Administration Amanda Vandegrift will present information with respect to financial trends and key initiatives entering the FY2026 budget season. CEO Steve Bland and Deputy CEO of Growth and Development Debbie Frank will also provide background with respect to key trends and initiatives. The intent is to provide sufficient information to the Board with respect to our upcoming Metro Nashville budget submission, and to identify strategic topics as we work with the Board to develop the FY2025-26 operating budget for your adoption in June.

APPROVED:



Deputy CEO of Finance and Administration

1/23/2025

Date