

**NASHVILLE METROPOLITAN TRANSIT AUTHORITY**  
**Board of Directors Meeting**

**January 25, 2024**

I. **Call to Order:** The regular meeting of the Nashville Metropolitan Transit Authority (Nashville MTA) Board of Directors was held at the Tennessee State Library & Archives, located at 1001 Rep. John Lewis Way N., Nashville, TN 37219, on Thursday, January 25, 2024.

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

Gail Carr Williams, Chair	Andy Burke, COO
Janet Miller, Vice Chair	Vince Malone, COSA
Jessica Dauphin, Member	Renuka Christoph, CCO
Kathryn Hays Sasser, Member	Ed Oliphant, CFO
Aron Thompson, Member	Felix Castrodad, Director of Planning & Grants
Margaret Behm, Board Secretary	Patrick Hester, Facilities Manager
Stephen Bland, CEO	
Monica Howse, Sr. Exec. Asst. & Board Liaison	

A quorum was established, and Board Chair Carr Williams called the meeting to order at 2:34 p.m.

III. **Approval of Minutes:** Ms. Jessica Dauphin made a motion to approve the December 21, 2023, Nashville MTA Board minutes. Ms. Janet Miller seconded the motion, and the Board unanimously approved the minutes.

IV. **Public Comments:** Board Chair Gail 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 comments:

- John Bull
- Darius Knight
- Jeremiah Wooten

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

- Monthly Financial Report Compared to Budget – No questions
- Monthly Operating Statistics – Ms. Hays Sasser asked about the shortage of operators referenced on page 22, how the hiring process was going, and how it looked with the labor challenges. CEO Bland said that compared to other agencies, WeGo is doing remarkably well, particularly on the operator side. He stated it is identified as a risk issue that CFO Oliphant will review later in the meeting and needs to be actively monitored. He said he would ask staff to update staffing status at a future Board meeting.
- Upcoming Procurement Projects List – No questions

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

a. **Annual Conflict of Interest (OF-D-24-01):** Chief Financial Officer Ed Oliphant presented the following item for discussion:

For many years now, MTA staff have managed the services of the RTA under contract to the Regional Transportation Authority Board of Directors. This arrangement has proved beneficial to both agencies and the region. Several years ago, the RTA received a finding from the Office of State Comptroller that, while acknowledging the benefit to both parties of this agreement, also identified the risk of potential conflicts of interest that could arise when the interests of one agency possibly conflicted with the other. These conflicts could be real or just perceived. The

corrective action adopted by the RTA Board (and accepted by the Office of State Comptroller) was to have staff report on known potential conflicts - and steps taken to mitigate these conflicts – each year. This item represents that report to the MTA Board for this year, and staff will provide the same information to the RTA Board at one of their regular meetings.

The report represented areas management identified in FY2022/23 where a decision or recommendation was made that could appear to cause potential conflicts of interest for the two agencies and action taken to mitigate any conflicts. Chief Financial Officer Ed Oliphant availed himself of questions regarding the report at the meeting.

Ms. Hays Sasser asked if the current management agreement contract speaks to conflicts of interest or fiduciary duties or how disputes will be handled should they arise. Mr. Oliphant said that the management agreement itself does not, but that the agreement specifically stipulates the services MTA is to provide for RTA, and these reports each year are intended to make each Board aware of conflicts and intervene if they deem it appropriate.

Ms. Behm said the Metropolitan Transit Authority and the Regional Transportation Authority are separate boards with separate charters. RTA is a state-created board, so there's a lot of statutory background for boards to look at as it relates to their respective duties. She said Mr. Oliphant did a great job explaining how the contract was written and outlining the different services. She concluded this was a good exercise because when the Comptroller looked at it, they realized there were some shared expenses and wanted to ensure that each board was getting what it should. The shared expense was primarily the Comptroller's issue.

Mr. Bland said some of the same funding sources fund both agencies, but those distributions are generally made by the funding agency or the Metropolitan Planning Organization. All operations and financial records are segregated, and separate annual audits are performed so that potential issues may be raised in either organization's annual audit.

Mr. Thompson asked if the Comptroller's office would have to review this again. Mr. Oliphant said this could happen as part of an overall operational performance audit of the RTA, but they were satisfied with this approach the last time it was raised.

Ms. Dauphin thanked Mr. Oliphant for presenting this type of report annually.

There was no further discussion.

- b. Annual Risk Assessment (OF-24-002):** Chief Financial Officer Ed Oliphant presented the following items for discussion and action:

Annual risk assessments should include reviews of every area of internal control, policies, and procedures to identify strengths and weaknesses and areas of financial or operational exposure and/or focus. WeGo seeks 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.

While the report was not an exhaustive list, it was a good exercise to identify all possible risks and address them in order of importance to continue to find ways to hopefully reduce and mitigate risk to the company.

Mr. Oliphant referred to pages 20-23 in the board packet. More specifically, he addressed the shortage of bus drivers.

Ms. Miller said that as a long-time board member, 3-4 years ago was a major crisis that led to service disruptions, so seeing the progress WeGo has made with all the labor shortages is very encouraging.

Ms. Hays Sasser asked if Metro controlled IT and wondered if cybersecurity would be risky. Mr. Bland said that we would need to be aware of cyber-security risks. Mr. Bland indicated that Metro IT provided all of the backbone information technology services to MTA, including cybersecurity measures and backbone IT hardware, but that Ms. Hays-Sasser was correct that cybersecurity should be added to the risk assessment, as any major disruption in systems resulting from a cybersecurity event could significantly impact MTA operations. He indicated that he and the IT staff would pursue a follow-up action in consultation with Metro IT to add cybersecurity to this list, develop an overall assessment of this threat, and implement preventive measures.

Board Chair Carr Williams said that she likes how the list continues to grow from year to year, which is a good thing, and it shows that WeGo is monitoring and being proactive about what could be potential risks. She suggested that cybersecurity line items be highlighted or identified more clearly in the report.

Ms. Dauphin thanked Mr. Oliphant and the staff for the work that has gone into this report and reiterated the need for dedicated funding.

There was no further discussion.

**c. QuickTicket Fare Collection System Back Office Cost-Sharing Update (OF-24-003):**

Chief Financial Officer Ed Oliphant presented the following item for discussion and action:

WeGo Public Transit's contactless fare collection system (branded as QuickTicket) provides seamless fare payment options for customers who use MTA or RTA services. The overall system includes elements that are specifically attributable to each agency (for instance, a farebox on an MTA Bus or a ticket vending machine at an RTA rail station), but both agencies use many other elements in a shared manner (such as back-office computer hardware, bank processing fees, etc.). As a result, as the system was being installed, staff developed a recommended methodology for splitting these shared costs between the two agencies, and this methodology was reviewed by both the MTA and RTA Boards. As part of the Annual Conflict of Interest reporting discussed earlier, staff report the reconciliation of these expenses between agencies to both Boards on an annual basis.

Based on the cost-sharing formula, RTA paid MTA \$40,406 for its shared portion of the FY2023 expense. Total back-office expenses for FY2023 were lower than anticipated as Nashville MTA had not entirely accepted the Quick Ticket system from INIT, the manufacturer of the fare collection system, since there were still some modules of the software yet to be completed and accepted, so warranty provisions remained in effect longer than expected. It is anticipated that the system will be fully completed in FY2024, increasing the maintenance support expenses per the contractual agreement with INIT.

This presentation was also made to the RTA Board to ensure that both Boards are aware of how the Quick Ticket Shared back-office expenses are being allocated between the two agencies to alleviate any perceived conflict of interest for Nashville MTA management since we are under contract to manage the RTA operations.

Mr. Thompson asked what electronic devices were referenced in the board document. Mr. Freudberg replied and indicated that some of the referenced equipment includes validators at the train stations, handheld devices that the conductors use to validate fares on the Star, some hardware associated with Customer Service points of sales terminals, and ticket vending machines are some of the most expensive equipment.

There was no further discussion.

**VII. New Initiative & Community Engagement Committee Report: Committee Chair Miller introduced the following items for discussion and action:**

- a. **2024 Proposed Spring Service Changes and Title VI Analysis (M-A-24-001)**: Director of Planning and Grants Felix Castrodad presented the following for discussion and action:

Staff requested approval by the Board of the proposed Spring 2024 service changes, as documented in this item, for implementation to take effect on March 31st, 2024. Mr. Felix Castrodad, Director of Planning and Grants, presented the recommended changes to the Board. Mr. Castrodad abbreviated his report, as the Board had received a more extensive overview of the proposed changes at the December meeting and focused instead on the results of the public engagement process and the Title VI review for social equity.

Board Chair Carr Williams thanked Mr. Castrodad for an excellent presentation and said she appreciates that WeGo looks at routes and everything with an equitable eye.

Ms. Dauphin said she appreciated the changes made based on customer feedback. She asked for Mr. Castrodad to speak more about the equity analysis. Mr. Castrodad said that whenever significant changes are made, WeGo has to ensure those changes aren't better for one minority than another.

Mr. Castrodad reported that the Federal Transit Administration (FTA) has a highly prescribed process for these reviews, examining how proposed changes impact communities in disadvantaged (primarily minority and low-income) census tracts. Changes are measured against changes proposed for non-disadvantaged census tracts. In this manner, a particular change may meet the threshold of having a potential disparate impact if the harm (or benefit) to a disadvantaged neighborhood is greater than that experienced by a non-disadvantaged neighborhood. The FTA defines that if a service change impacts a disadvantaged area by 20% or more (ie: 20% greater harm to a disadvantaged neighborhood in a service reduction scenario and 20% greater benefit to a non-disadvantaged neighborhood in a service improvement scenario), then the discrepancy must be examined more closely to determine if there is truly detrimental impact.

For these proposed changes, two proposed route changes (Route 22 and 42) exceeded the 20% threshold due to service design changes that pulled these two services out of census tracts defined as disadvantaged. However, in the context of the overall service changes, the results were deemed to have no disparate impact, as other services (specifically, routing changes to the 14, 75, and 77 routes to cover disadvantaged areas and the creation of a Bordeaux WeGo Link zone) maintained service to these areas.

Mr. Bland also highlighted that the analysis is comparative and not necessarily reflective of a negative impact on a community. For instance, in all cases, the analysis showed that disadvantaged neighborhoods would benefit from the service increases, but in some individual cases, the benefit to non-disadvantaged neighborhoods was greater. He also pointed out that the analysis is based on the homes of disadvantaged populations, and any examination must also factor in where people travel. For instance, a service improvement to the Green Hills Mall may be flagged in the Title VI analysis due to it not being located in a disadvantaged neighborhood, but if people who live in disadvantaged neighborhoods use the service to travel to the Mall to shop or work, there is still a significant benefit.

Mr. Thompson asked how the WeGo Link monitoring works, what determines whether or not a more permanent fixed route would be necessary, and what the timeframe looked like. Mr. Bland said it would be as a particular area picks up for that demand that suggests fixed route service would be more effective. Ms. Carr-Williams pointed out that our Madison Connector service originally started as an on-demand service like WeGo Link. That ridership eventually rose to a level to warrant the creation of the 76–Madison Connector.

Chair Miller made a motion to approve the 2024 Proposed Spring Service Changes and Title VI Analysis action item. Ms. Jessica Dauphin seconded the motion, and the Board unanimously approved this action item.

**VIII. CEO's Report:** CEO Steve Bland provided the following report:

1. Mr. Bland thanked the Board for approving the spring service changes. While the Ernest Rip Patton Jr. North Nashville Transit Center will be a first-rate facility and amenity for customers, the real game changer will be the improved services and connections it facilitates. So, when these changes go into effect on March 31, residents of North Nashville will begin to see tangible benefits from the facility even before it opens later in the spring.
2. Before the holidays, Mr. Bland and Katie Freudberg had the opportunity to meet with Dough Kruelen, CEO of the Nashville International Airport, and his staff to discuss future service enhancements to serve the Airport and opportunities to promote more significant transit usage to and from the Airport. The meeting was extremely productive, and WeGo anticipates more developments in the coming months.
3. Mr. Bland and several staff met with Vanderbilt University Medical Center staff to discuss opportunities to enhance transportation availability for patients discharged from Medical Center facilities. This should lead to a productive partnership, and he thanked Board Chair Carr Williams for facilitating the introduction.
4. Mr. Bland will participate in Walk-Bike Nashville's annual Board workshop next weekend. WeGo has had a very collaborative relationship with Walk Bike over the years, and we'll be looking for ways to make the relationship even more productive.
5. WeGo is working hard on the Metro budget process for FY2025. Last month, Mr. Oliphant reviewed underlying assumptions and trends for the upcoming budget submission. As this document is due no later than February 9, WeGo will not have the opportunity to review the final document before submission, but WeGo will provide a copy with the Board's February packet, and staff will be available to answer any questions.
6. Regarding budgets, WeGo received good news from Metro concerning recommended Capital Spending from the Mayor's Office. The mayor recommends that WeGo receive \$30.862 million in capital spending plan funds. The mayor's overall recommendations will now move on to the Metro Council for consideration. If approved by the Council, this funding would provide \$7.25 million for MTA and RTA grant matches, \$3.2 million for Access vehicle replacements, \$8.6 million for bus replacements, \$3 million for stop and shelter improvements, \$4 million toward transit centers, and \$4,8 million for service expansion buses.
7. WeGo provided downtown supplemental services for New Year's festivities as in past years. The WeGo Star ran New Year's Eve service to a near sellout crowd and extended service hours on frequent network routes to accommodate revelers returning from New Year's festivities. WeGo offered all bus services for zero fare after 6:00 p.m. Ridership was strong, and WeGo received many favorable comments for providing this valuable service.
8. This month, WeGo reviewed site plans with Metro Planning for the Global Mall development area to work toward defining property boundaries for the future Antioch Transit Center. With this information, WeGo's engineers are laying out various options for traffic flow on the site so it can complete the Federal environmental process and advance the property transaction.
9. On the RTA side:
  - a. WeGo continues to advance land acquisition toward a permanent park-and-ride location in Murfreesboro. At this point, WeGo is awaiting word from a property owner on an offer and engaging in an environmental assessment of the property.

- b. Hatch Consulting Group continues to advance the WeGo Star Future Vision Study. Several weeks ago, Hatch presented their initial findings to the Star Corridor Committee of the RTA Board with an expectation.
- c. WeGo continues to work with the development team of HG Hill and Southeast Venture on a joint development project at Donelson Station.

10. Mr. Bland said it was with happiness and sadness that he report that Ed Oliphant advised him of his intent to retire on or about June 1 of this year. Ed began his career at the Nashville MTA in October 2002 after a career in the private sector. Over the past 20+ years, he's been a constant of competence and civility in the face of tremendous change in the organization and the city. Ed often tells the graduating classes from WeGo Academy that the agency had an operating budget of about \$25 million when he started. He'll put the finishing touches on one about five times that much in a few months. He went on to say that Ed has been a valuable resource personally, an amazing historian, and most importantly, a friend. But, from the perspective of all those who sit at this table, he and his team have been a tremendous source of peace through their consistent delivery of balanced budgets, timely and accurate financial statements, and clean audits. WeGo's loss will be his wife, Resha's gain, as they get to spend more time together. CEO Bland said he knows that the folks on the finance team, like Shelly, Janet, and everyone else, will be ready to step up. CEO Bland said he anticipates initiating a recruitment for this position in late February. He asked the Board and staff to join him in thanking and congratulating Ed for his outstanding service.

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

Board Chair Carr Williams thanked the Board members for holding it down for her the past two months. She thanked Vice Chair Miller for standing proxy for her and chairing those board meetings.

Board Chair Carr Williams said the meeting today was productive and provided clarity for all. She stated that this is going to be a great year for transit.

Board Chair Carr Williams acknowledged and congratulated Mr. Oliphant on his upcoming retirement. She said WeGo is an incredible agency because of Mr. Oliphant's work. She is grateful for the working relationship but would save her final remarks until June.

Board Chair Carr Williams congratulated Ms. Kia Lewis and Ms. Lydia Benda for their promotions and said it's always a joy to work with them.

In conclusion, she thanked the staff and bus drivers for working so hard during last week's winter weather, not only then but for the hard work they do every day.

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

**IX. Adjournment:** With no further business, Vice Chair Miller moved to adjourn the meeting, which adjourned at 3:55 p.m.

**Attested:**

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**Gail Carr Williams**  
**Chair**

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**Margaret L. Behm**  
**Secretary**