1. Call to Order
2. Approval of May 17, 2018 Minutes
3. Public Comments*
4. Operations & Finance Committee – Walter Searcy, Chair
   a. Liability Insurance Renewal
   b. MTA/RTA Contract Renewal for State EasyRide Services
   c. FY2019 State EasyRide Contract Renewal
   d. RTA/MTA Contract Renewal for Regional Transit Services
   e. Industrial Parts Washer and Waste Disposal Services
   f. Heavy-Duty Bus Cleaning Product & Janitorial Supplies Contracts
5. New Initiatives & Community Engagement Committee – Janet Miller, Chair
   a. Nestor Operations and Maintenance Facility Renovation
   b. FY2019 Operating Budget
6. Chair’s Report
7. Chief Executive Officer’s Report
8. Other Business
9. Adjourn

*Please keep all public comments to the Board within three minutes. Thank you
Minutes

NASHVILLE METROPOLITAN TRANSIT AUTHORITY

BOARD OF DIRECTORS MEETING

May 17, 2018

I. CALL TO ORDER: The regular meeting of the Nashville Metropolitan Transit Authority (Nashville MTA) Board of Directors was held at the Metro Nashville Police Department West Precinct, 5500 Charlotte Pike, Nashville, Tennessee 37209 on May 17, 2018.  Present were: Gail Carr Williams, Chair; Janet Miller, Vice Chair; Hannah Paramore Breen, Member; Glenn Farner, Member; Secretary Margaret Behm; and Chief Executive Officer Stephen G. Bland.  A quorum was established, and Chair Williams called the meeting to order at 3:21 p.m.

Chair Williams acknowledged the recent passing of former Nashville MTA Board member Lewis Lavine, stating that Nashville MTA had lost a dear friend, a colleague, and a mentor to many.  She added that Nashville MTA meant a lot to him.  He gave a lot to the organization, and he made the Board better and made Nashville MTA better.  She asked all present to take a moment of silence in honor of Mr. Lavine.

II. APPROVAL OF MINUTES: Proper motion was made and seconded to approve the minutes of the April 26, 2018 Board of Directors meeting. There were no additions or corrections, and the vote of approval was unanimous.

III. PUBLIC COMMENTS: Chair Williams opened the floor for public comments. The public was reminded that comments were limited to three minutes. The following members of the public addressed the Board with these comments:

Peter O’Connor, frequent rider, Nashville, TN:

- Mr. O’Connor stated that those who come to the board meeting to make comments are inconvenienced when the Board’s meeting begins late due to the committee meetings running long prior to the start of the Board meeting. He asked that something be done so that the meeting could start on time.

Chair Williams responded that it was not the Board’s intention to run over; but when the Board comes into very important conversations, to make certain that this organization was given the time, and issues were given the attention that they need and deserve, they would go over.  She suggested that Mr. O’Connor send her a note when he cannot stay, and she would take time out of a committee meeting to call on him to give him the opportunity to speak before he has to leave.  She further emphasized that it was very hard for the
Board to depart from an issue or to even anticipate that they were going to go over. Chair Williams offered her apologies if they take him off of schedule, but again noted that she would provide the opportunity for him to speak during a committee meeting in order to accommodate his schedule.

- Mr. O’Connor stated that customer service hours needed to be extended from the time the first bus leaves Music City Central (MCC) in the morning until the last bus completes its run at night.
- He added that service hours needed to be extended, especially on weekends, because there were a lot of people who needed that service, especially those who work at night.
- He stated that the #52A end of the line needed to be moved behind the Walgreens.
- Mr. O’Connor stated that he was still experiencing drivers who do not drive smoothly, and the stop/go motion continues to make him sick.

John Bull, a frequent rider, Nashville, TN:

- Mr. Bull noted his appreciation of the presentation on the facility upgrade. He had no idea it was that detailed. Before the presentation, he had thought it would only take a couple of weeks rather than several months to complete.
- He noted that during the interim he had not noticed any provision for baby changing stations.
- Mr. Bull was delighted that the onboard video system was being addressed.
- Concerning mobility-on-demand, he was sorry that funding was lacking. Mr. Bull noted that the $6 base plus $3.50 more before a passenger even starts riding was a load for some people. He is hoping when the funding comes around that the fare could be adjusted down.
- Mr. Bull noted that ridership was up on route #8 by close to 18%. He thought it was worth noting that part of that might be due to homeless people being provided bus passes.

Tamika Douglas, member of Music City Riders United, member of People’s Alliance for Transit Housing and Employment (PATHE), and a resident of Madison who has been riding public transit for three to four years:

- Ms. Douglas reported that she had been getting feedback that for the kids who attend Two Rivers Middle School. Route #34 arrived around 3:50 p.m., and there was not another bus until 6:50 p.m. for those children. She added that if they happened to miss the earlier bus, then the children and the teachers who wait with them would have a very long time to wait for their parents to come pick them up. She found this very inconvenient and suggested that since Nashville MTA was considering increasing frequency on some routes, she asked that Nashville MTA take a look at more options for the #34 route.
- She asked the Board if they would consider giving bus passes to her for the Music City Riders United to pass out to the members for transport to their meetings.
- Ms. Douglas stated that in talking with the public at the Earth Day Festival, she found there was a lot of interest in neighborhood connectors. In particular, there were a lot of people that ride the #56 or the #26. She suggested that a neighborhood connector could possibly connect Hart Lane,
right off of Gallatin Road, to Broadmoor. She stated the #76 Madison Connector had been a success, and lots of people use that route. It saves a lot of people time; it is safer; and they can take that route to connect either to the #26 or the #56. She would like for the Board to consider this in the future.

- Ms. Douglas stated that she hoped the temporary port-a-potties placed downtown for use while MCC was being renovated would be maintained more than once a day in the summer months.
- She asked for a timeline as to how long the public would be inconvenienced with having to use port-a-potties while the renovation was in process.
- Ms. Douglas suggested that the on-site police officers were not needed at MCC. She noted that she never sees them doing anything and suggested that if Nashville MTA had to make some cutbacks, that there be cutbacks with the security at MCC.

James Thomas, a frequent rider, Nashville, TN:

- Mr. Thomas cited bus numbers, dates, and times when he had observed buses leaving MCC late; buses failing to show; and buses arriving late at stops.
- Mr. Thomas noted that some type of hand sanitizer dispensers were needed at the port-a-johns at MCC.

There were no other public comments at this time.

IV. **Operations & Finance Committee Report:** Member Breen reported on the following:

a. **Onboard Vehicle Video Surveillance Support and System (A-18-003):** In an effort to bolster system security and safety, Nashville MTA Safety and Security departments have taken several steps to ensure that our customers, our most valued assets, and service equipment and stations are sufficiently monitored. Having well-maintained, reliable equipment is imperative to our success as an agency and would help ensure a safe, secure environment in which all members of the transit community can travel. In addition, we found that camera footage may also be used as a support mechanism for police investigations, in response to incidents in progress, customer service issues, and other employee-related issues.

As such, the Nashville MTA’s Security and Safety departments conducted two studies of the state of good repair for all surveillance cameras within the facilities, stations, and onboard bus and van fleet. In both evaluations, the need for enhanced camera replacement and managed repair services were evident. Challenges included limited data storage, unreliable recording capability, and delayed technical support. Opportunities of improved video surveillance, local technical support, centralization of system and safeguarding of company assets and property were the goal.

On February 1, 2018, the Nashville MTA issued a solicitation for information for managed services of all onboard cameras within the Nashville MTA/RTA fleet. Two proposals were received as responsive and responsible from Apollo and March Networks. With the information received and the deliberating team’s assessment, the primary stakeholders from the Nashville MTA Safety, Operations,
and Technology departments recommended continuing the partnership with March Networks as a sole procurement. March’s proposed system was inclusive of monitoring and management of existing assets to ensure 100% operational, on-site mobile repair services, replacement parts, labor and installations as well as provisioning of new equipment for new vehicles.

The Operations & Finance Committee recommended the Board provide the Chief Executive Officer authority to enter into a contract with March Networks for the management and repair of all vehicle onboard cameras. The proposed contract was a three-year, sole source mobile managed services contract with one two-year option for renewal. The proposed contract included a not-to-exceed amount of $1,781,620 and a contingency amount of 10% ($157,546). Upon execution, this project would be task based in accordance with project scope. Funding would be assigned and made available through the annual capital and operating budgets. There was no discussion, and the recommendation carried unanimously.

V. **NEW INITIATIVES AND COMMUNITY ENGAGEMENT COMMITTEE REPORT:**

Committee Chair Miller reported that the Committee had a good meeting and did not have any action items to bring before the Board this month. The Committee had four primary discussion topics with the most robust being about the upcoming budget and $1 million dollar shortfall. The Committee discussed the philosophy of how the Board wanted to handle that. The Board unanimously agreed that fare increases, cuts to service, and cuts to hours were off the table and not something that they wanted to do.

Chair Miller stated that instead the Board was looking at two line items. One being advertising, and there was a whole discussion going on about advertising and brand, the appropriateness of the advertising, and the safety of the advertising. The Board would like to move to an advertising policy that was more supportive of the brand and that didn’t obscure vision in the buses because it was a safety issue.

In response to this budget shortfall, she stated that the Board’s two choices were on the advertising side; and then, having to do with preventative maintenance on the existing fleet, being able to pull from a capital budget allocation. The direction of the Board was to lean on the capital budget line item rather than a dramatic change in the advertising policy. They have asked staff to come back with a revised advertising strategy and policy related to the rebranded bus. The Board is hoping that this budget shortfall was a one-year blip, but they would not know that until the Metro Capital budget came out, which was usually in September.

Continuing, Ms. Miller reported that the committee had heard from Dan Freudberg, Director of Service Quality, on the next generation fare collection system and its implementation. This is a technology project. It is complex, and it takes time. The Board was confident with the vendors and the direction of the project. 2020 would be the year of the final implementation.

Ms. Miller further reported that Trey Walker, Director of Engineering & Construction, reported to the committee on the MCC Construction Schedule and Service Impacts. This is a considerable renovation project. She commended the staff
for a great job in looking at contingencies. They have assured the Board that the last thing they needed was to have this go anything but flawlessly, and they would be prepared to flex and move if they ran into any issues. They don’t want to inconvenience any of Nashville MTA’s customers.

In closing, Chair Miller reported that Mr. Freudberg updated the Committee on the Mobility on Demand Pilot for AccessRide customers. This pilot would continue until October. The Board was getting great reviews. They just needed to be sure that it was going to be revenue neutral, or cost neutral, with the budgeting constraints this year.

VI. **Chair’s Report:** Chair Williams offered her condolences to the family of Lewis Lavine. Continuing, she stated that the business of the transit referendum was over at this time. They had learned a lot about Nashville, about Nashville MTA, and they learned a lot about how to go forward in the work that Nashville MTA does. Ms. Williams recognized CEO Bland for all of the hard work and long hours he put into the effort. She also acknowledged the work of the rest of the staff. She recognized that a lot of effort and a lot of hours were put into this, and that the transit referendum work became the priority. Now, she added, staff can get back to doing what they do and hopefully not feel as stretched. Chair Williams stated that she did appreciate the work, and she wanted to publicly acknowledge the work that was done by staff for this city and for transit.

Continuing, Chair Williams noted that today they had good discussions about what the authority will be engaged in going forward. As always with Nashville MTA, there was a lot going on, and again the Board was there to support the staff as they move forward through all of these major transformational projects. She added that she was excited to see what MCC would look like when the renovation was completed, and she was also excited to see what 2020 would look like when the Genfare Systems was completed and we could swipe our card to ride.

Chair Williams closed with sincere thanks to all of the staff for all of the hard work they had done and were doing. “Let’s continue to push forward and do excellent work!”

VII. **CEO’s Report:** CEO Bland reported the following to the Board:

- CEO Bland joined in conveying Chair William’s thoughts and his personal and staff’s sense of loss with Lewis Lavine’s passing. He added that Lewis had more fingerprints, handprints, and footprints on this organization along with many others in the community. He noted that Lewis served on the Nashville MTA Board for many years, and he played an instrumental leadership role in the nMotion process, along with many other initiatives. Not surprisingly, several hundred people attended his memorial service on May 6.

Continuing on a personal note, Mr. Bland state that Mr. Lavine was a mentor to dozens if not hundreds of people in this community, and he counted himself as one of those. He added that when you are new to the city and are trying to navigate the civic infrastructure without a tour guide you can get lost at best,
and Lewis was very much that tour guide for him. Beyond the loss to the Nashville MTA, he definitely felt the loss of a personal friend in his passing.

- Mr. Bland stated that obviously, the 800-pound gorilla in the room was the defeat of the Let’s Move Nashville ballot initiative. He wanted to publicly acknowledge the leadership of (Nashville) Mayor (David) Briley on this effort, who came into a very difficult situation, and continues to show enthusiasm for improved mass transit in Nashville, despite this loss. He noted that as he had been telling staff, just because we won’t be getting much bigger doesn’t mean we can’t get much better, and some of the reports that the Board heard today demonstrated the fact that they were not standing still.

- At Mayor Briley’s State of Metro Address, Mr. Bland reported that the Mayor acknowledged the defeat of the referendum, and spoke eloquently about rebuilding bridges in the community in order to advance future efforts.

- That evening, the Nashville MTA will have their annual budget hearing with Metro Council.

- With respect to the Murfreesboro Road Project, Mr. Bland reported that the project was about one-third complete overall, and they were on schedule for completion in mid-2019 and were tracking well for budget. Contractors are working on both pedestrian improvements and upgraded signal technology at this time.

- The Joint Maintenance Training Committee that we formed with Amalgamated Transit Union Local 1235 continues to be active, with the group reviewing best training practices from several other transit systems and surveying maintenance personnel about training needs.

- RTA Items:
  - Progress continued on construction of the Hamilton Springs Train Station. Opening is scheduled for August.
  - The Federal Railroad Administration approved our limited service exception that will provide us relief from implementing Positive Train Control requirements on the Music City Star. We will need to eliminate the existing Friday night service to achieve compliance with this approval.
  - Along with the Nashville Area Metropolitan Planning Organization and the Mayors and other leadership in the corridor, we kicked off the South Corridor Study yesterday. This effort will examine a variety of transit and mobility alternatives in the corridor roughly paralleling I-65 South between Downtown Nashville, Williamson, and Maury Counties.

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

IX. **ADJOURNMENT:** The meeting was adjourned at 3:51 p.m.
Item Number: A-18-012          Meeting Date: 06/28/18

Item Title: LIABILITY INSURANCE RENEWAL

BACKGROUND

Every year, the Nashville Metropolitan Transit Authority’s (Nashville MTA) insurance broker shops the insurance market for renewal of the Nashville MTA’s $3 million liability policy with a $100,000 deductible per occurrence. Inquiries were made of six different insurance companies for the upcoming policy year effective July 1, 2018 through June 30, 2019.

The only quote received meeting our scope was from our current insurance company, RLI Insurance (RLI), offering coverage with a $3 million limit and a $100,000 deductible per occurrence. The per vehicle type annual rates for liability coverage compared to our current policy are as follows:

<table>
<thead>
<tr>
<th>Liability Coverage</th>
<th>Current (2017-18)</th>
<th>RLI (2018-19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Bus</td>
<td>$2,882</td>
<td>$3,139</td>
</tr>
<tr>
<td>Transit Van</td>
<td>$2,017</td>
<td>$2,197</td>
</tr>
<tr>
<td>Service Vehicle</td>
<td>$1,317</td>
<td>$1,437</td>
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</tbody>
</table>

The comparison below of total costs incurred is based on the number of vehicles expected to be on hand July 1, 2018 by type of vehicle as quoted above:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Premiums</td>
<td>$714,904</td>
<td>$775,536</td>
</tr>
</tbody>
</table>

This represents an increase of approximately 8.5% compared to last year. The premium will vary slightly depending on the number of vehicles and vehicle types the Nashville MTA may have in the fleet at any given time.

COMMITTEE RECOMMENDATION

The Operations & Finance Committee recommends to the Board that they authorize the Chief Executive Officer to enter into a contract with RLI Insurance for our liability coverage for the period effective July 1, 2018 to June 30, 2019 for $3 million in coverage with a $100,000 deductible for a premium of approximately $775,536.

Approved:

_____________________________    ________________________
Secretary                           Date

June 28, 2018
BACKGROUND

For several years, the Regional Transportation Authority of Middle Tennessee (RTA) along with the Nashville Metropolitan Transit Authority (Nashville MTA) have participated in the EasyRide program with the State of Tennessee where both agencies provide transit rides to state employees, and the State reimburses both the Nashville MTA and RTA on a cost per ride basis. The Nashville MTA has been the principle in this contract with the State, and RTA’s portion of the rides provided is passed through via a separate agreement with the Nashville MTA. The State has agreed to a new contract with the Nashville MTA for the EasyRide Program for July 1, 2018 through June 30, 2019 at a cost per ride set at a weighted average of $2.50 per ride and a total contract not to exceed $1.75 million.

An analysis of state employee ridership for both the Nashville MTA and RTA services was performed, and it affirmed an effective rate of $3.15 per ride should be passed through to RTA from the Nashville MTA since RTA’s fares for regional bus service and train service are proportionately higher than the Nashville MTA’s fares. This is the same rate that was used in FY2018.

COMMITTEE RECOMMENDATION

The Operations & Finance Committee recommends to the Board their approval for the Nashville MTA to enter into a contract with RTA that calls for the Nashville MTA to reimburse RTA for EasyRide trips provided to state employees participating in the EasyRide program at a rate of $3.15 per ride for a period of one year, beginning July 1, 2018 through June 30, 2019.

Approved:

______________________________
Secretary

______________________________
Date

June 28, 2018
BACKGROUND

In 2006, the Nashville Metropolitan Transit Authority (Nashville MTA) and the State of Tennessee began a program for their employees in which the State would pay the work commute transportation cost for all their employees who utilize public transportation. While we have seen some decline in ridership over the past two years, the program continues to work well in helping the State with their employee parking issues and supplying the Nashville MTA and Regional Transportation Authority of Middle Tennessee (RTA) with fairly consistent ridership. The current $1.75 million contract managed by the Tennessee Department of Transportation (TDOT) is scheduled to expire June 30, 2018.

We have successfully negotiated with the State to continue the contract for FY2019 at the same rate per ride of $2.50 based upon all regional transportation services including both the Nashville MTA and RTA. AccessRide trips will be billed at $3.40 per ride. The contract will be between the Nashville MTA and TDOT with the RTA receiving its proportional share for rides provided under the program as defined in a separate sub-agreement between the Nashville MTA and RTA. The total contract amount will remain $1.75 million. The contract term is for 12 months beginning July 1, 2018 with an expiration of June 30, 2019.

COMMITTEE RECOMMENDATION

The Operations & Finance Committee recommends to the Board their approval for the Nashville MTA to enter into a contract with TDOT for the EasyRide program at $2.50 per ride and $3.40 for AccessRide with a contract amount of $1.75 million and a contract term of July 1, 2018 through June 30, 2019.

Approved:

_________________________________________  ________________________________
Secretary  Date

June 28, 2018
BACKGROUND

A positive working relationship has been established for many years between the Regional Transportation Authority of Middle Tennessee (RTA) and the Nashville Metropolitan Transit Authority (Nashville MTA) on regional transit programs.

Each year, the RTA contracts with the Nashville MTA for regional transit services, Davidson/Rutherford County Relax & Ride services to Murfreesboro, Tennessee as well as connecting bus services to support the commuter train service for the Music City Star in Nashville, Tennessee.

For the past several years, the Nashville MTA has requested and received a 3% increase in the hourly rate. We are again requesting a 3% increase for the new fiscal year which would take the hourly rate from $106.28 to $109.47. While the RTA desires to renew these contracts for the period of July 1, 2018 through June 30, 2019, they have requested a more detailed cost analysis to better understand the basis for the cost being charged for the service. They have asked that the current rate of $106.28 be extended through September 30, 2018 until the analysis can be completed on the new rate and be reviewed and approved. Once approved, it could be applied retroactively back to July 1, 2018. We are in the process of performing a cost analysis to re-submit to the RTA Board and will also submit an action item to the Nashville MTA Operations & Finance Committee and Nashville MTA Board once we have consensus on the hourly rates.

COMMITTEE RECOMMENDATION

The Operations & Finance Committee recommends the Board approve a three-month extension of the current hourly contractual rate of $106.28 for both contracts mentioned above through September 30, 2018. The proposed contractual increase will be readdressed once management provides an analysis to the Committee for review before bringing it back before the Board.
BACKGROUND

The current contract for industrial parts washer and waste disposal service with Safety-Kleen expired on March 9, 2018. The contract was enacted to supply parts cleaning equipment, cleaning chemicals, and disposal of hazardous waste, in addition to providing of emergency services in the event of a hazardous waste spill or leakage.

In an effort to ensure a recommendation of the most suitable vendor to carry out this service, the Nashville Metropolitan Transit Authority (Nashville MTA) issued solicitation via request for proposals. Three proposals were received as responsive and responsible from Heritage-Crystal Clean, Northstar Environmental, and Safety-Kleen. Evaluation of the proposals was conducted by members of facilities and vehicle maintenance management, leading to the recommendation to award continuation of the contract to Safety-Kleen (also deemed best value), the current vendor serving the Nashville MTA for solicited services for waste disposal.

COMMITTEE RECOMMENDATION

The Operations & Finance Committee recommends to the Board that they authorize the Chief Executive Officer to enter into a five-year contract for industrial parts washer and waste disposal services with Safety-Kleen. The proposed contract is written for an amount of $700,000, with a 15% contingency of $105,000, for a total contract value not to exceed $805,000. The source of funding for this contract will be Operating funds from the Maintenance department.

Approved:

_______________________________
Secretary

_______________________________
Date

June 28, 2018
BACKGROUND

The Nashville Metropolitan Transit Authority (Nashville MTA) contract for bus soap with State Product and the contract for janitorial supplies with American Paper and Twine have both expired. The contracts were enacted to supply effective cleaning products to ensure cleanliness of the Nashville MTA fleet while in service for transit operations.

In an effort to ensure a recommendation of the most suitable vendor to carry out these two essential services, the Nashville MTA issued a solicitation via request for proposals (RFP) for each contract for internal review and product testing.

- **Heavy-Duty Bus Cleaning Product (bus soap):** Two qualified vendors – State Product and American Paper and Twine -- responded. An evaluation committee comprised of maintenance staff reviewed both proposals and tested product offerings to ensure competency and product quality in all areas of assessment. Based on the evaluation, the committee recommends that the contract be awarded to American Paper and Twine as having demonstrated the best value and product quality. As such, the proposed contract will be written as a three-year contract with two one-year options for renewal, including a negotiated 3% annual escalator. The estimated cost is $360,000 for a term of five years.

- **Janitorial Supplies:** Five qualified vendors responded, as responsive and responsible to the Nashville MTA’s RFP. Based on the joint maintenance evaluation, the evaluation committee recommends the contract be awarded to American Paper and Twine as having provided the best value and product quality demonstration. The proposed contract will be written as a three-year contract with two one-year options for renewal, including a negotiated 3% annual escalator. The estimated contract value is $488,000 for a term of five years.

COMMITTEE RECOMMENDATION

The Operations & Finance Committee recommends the Board to provide the Chief Executive Officer the authority to enter into a contract with American Paper and Twine to supply Heavy-Duty Bus Cleaner for three years with two one-year options for renewal. The value of the five-year contract is $360,000 with a 10% contingency of $36,000, for a total contract value not to exceed $396,000. The source of funding for this contract will be Operating funds from the Maintenance department budget.

The Committee also requests approval from the Board to provide the Chief Executive Officer the authority to enter into a contract with American Paper and Twine to supply janitorial supplies for three years with two one-year options for renewal. The value of the five-year contract is $488,000 with a 10% contingency of $48,800, for a total contract value not to exceed $536,800. The source of funding for this contract will be Operating funds from the Maintenance department budget.
The total combined expenditures for both proposed contracts with American Paper and Twine is for an amount not to exceed $932,800, funded by Operating funds from the Maintenance department budget.

Approved:

__________________________________________
Secretary

__________________________
June 28, 2018
Date
BACKGROUND

Per the approved FY2018 capital budget, the Nashville Metropolitan Transit Authority (Nashville MTA) has developed design and construction plans for a renovation of the Nestor Operations and Maintenance Facility. This renovation package represents the first major renovation of the facility since emergency repairs were made to the building following the May 2010 flood. The interior renovation package includes:

- Relocation of radio room to purpose-built space within first floor of the facility.
- Enhanced dispatch area with new interface counter for operators.
- ADA improvements in first and second-floor restrooms.
- Construction of pantry for operator break area with the addition of cabinetry. Additionally, the mechanic break room will receive expanded cabinetry.
- Expansion of training space, including a new group classroom and individual training classroom
- Reconfiguration of office space on second floor to create new conference rooms and expand meeting space, enlarge break room, construct open-office areas, and enhance safety department with video room and additional storage.
- Upgrading of restrooms, showers, and locker rooms in the maintenance area.
- Replacement of millwork, ductwork, ceiling, and interior finished in mechanical shift supervisors office.

The renovation was designed by Gresham, Smith, and Partners, Nashville MTA’s on-call engineering and architecture firm. The bid package occurred during February and March, and solicitation yielded one qualified bidder, Batten and Shaw Construction. Following the bid opening, the Nashville MTA engaged with Batten and Shaw to review the bid scope based on bid price and evolving circumstances at Nestor (sinkhole). Once the scope was reviewed, Batten and Shaw submitted a revised bid with a base amount of $2,485,186. Nashville MTA staff considers the limited interest from the contracting community a reflection of market conditions and site logistics.

Funding Source: Funding for the renovations would primarily be from the proceeds from the sale of the Clement Landport, supplemented with prior year Section 5339 and 5307 funds that have state and local match.
COMMITTEE RECOMMENDATION

The New Initiatives & Community Engagement Committee recommends the Board provide the Chief Executive Officer the authority to enter into a construction contract with Batten and Shaw Construction for a base amount of $2,485,186. Due to the nature of the project, specifically the unknowns associated with interior demolition in the once-flooded facility, the Committee also recommends the Board authorize a project contingency of 20%, resulting in a not-to-exceed project total of $2,982,224.

Approved:

Secretary

June 28, 2018

Date
BACKGROUND

In the May 2018 Committee and Board meetings, we discussed how the Nashville Metropolitan Transit Authority's (Nashville MTA) original proposed baseline operating budget for FY2019 would be impacted assuming we continue with existing services. The initial proposed budget included an increase of approximately $2.6 million to our subsidy from Metro Nashville relating to inflationary increases, contractual increases, and increased operational expenses due to partial year funding of services implemented during FY2018. However, the Mayor’s recommended FY2019 Budget for the Nashville MTA passed by Metro Council last week ultimately resulted in no increase to the Nashville MTA’s subsidy of $48.6 million.

Based upon previous discussion with the Committee and Board, it was decided that while some sort of increase in fares or decrease in service would be one approach to make up the difference, we needed to identify savings that would have minimal impact upon our riders and the service currently being provided. Consequently, the attached proposed budget accounts for the savings of the $2.6 million needed as follows:

- Deferral of the Mobility on Demand Project: $853,000
- Internal reductions of various administrative expenses: $655,000
- Additional conversion of Federal Capital funds to eligible preventive maintenance: $1,069,000

The overall proposed operating budget as compared to last year is projected to increase approximately $2.7 million, or 3.3%, to $84.3 million in FY2019 from $81.7 million in the FY2018 budget. This increase is largely reflective of new services that were initiated during FY2017-18, but were not operating for the full fiscal year and will need to be “full-year” funded in FY2018-19.

The following summary highlights the increases and decreases in revenues for this proposed budget compared to FY 2018:

- Increase in Fare and Contract Revenue: $616,600
- Increase in Advertising Revenue: $108,000
- Decrease in Non-Transportation Revenue: $(7,300)
- Increase in State Operating Revenue: $181,000
- Increase in CMAQ and JARC: $384,700
- Additional Federal Reimbursements: $1,378,000
- Total Revenue Increase: $2,661,000

The increase in fare and contract revenues is primarily due to the conservative approach we took in estimating FY2018 revenues in the face of declining ridership. Based upon current trends, the fare revenues for FY2019 are expected stabilize and thus reflect a small increase compared to conservative FY2018 budgeted amounts. Contract revenues reflect a 3% increase of
approximately $77,000 as a result of a proposed increase to hourly rates charged to Regional Transportation Authority of Middle Tennessee (RTA) bus services and the annual management contract for the RTA. While we are still in discussion with the RTA regarding the increase, we do not expect any material difference in the final agreed upon contractual amounts.

- This increase in advertising represents estimates based upon existing business currently under contract as well as discussions with our third-party contractor. This projection is subject to change based on pending discussions with the Board regarding our approach to advertising/branding.

- The increase in State operating revenues is based upon a confirmed award amount from the Tennessee Department of Transportation (TDOT) for FY2019.

- The increase in Congestion Mitigation and Air Quality (CMAQ) and Job Access and Reverse Commute (JARC) grant funding is based on our pending request for an increase in grant dollars to be awarded and eligible for use on specific Nashville MTA bus services during FY2019. CMAQ funding for these services (supplemental service to increase frequency on the West End corridor (Routes 3/5; as well as the Route 36X Madison Express service in its entirety) dates back to 2012, when this funding was identified to increase service at a time that Metro’s Operating budget could not sustain it. CMAQ grant awards have not yet been announced and are very late relative to history. This issue also significantly impacts the RTA, and TDOT funding decisions that vary significantly from budget assumptions would have implications for service levels in these corridors.

- The anticipated increase in federal operating reimbursements is based upon an estimate of preventive maintenance and paratransit operating expenses eligible for reimbursement. Federal capital grant dollars are eligible to be converted into operating revenue dollars to reimburse preventive maintenance expenses. With a new emphasis on preventive maintenance, we have additional expenses eligible to be reimbursed through our capital grant funding. The balance of the remaining federal 5307 capital formula funds after the operating reimbursement will be utilized for capital purposes.

The summary below details where the approximately $2.7 million of increases impact expenses:

- Wages Fringes $1,274,800
- Other Fringes and FICA, $54,000
- Health Insurance $619,900
- Pension Expense $(106,100)
- Fuel $216,100
- Security Services $143,700
- Taxi Overflow Services $923,300
- Other Services $74,500
- Parts, Materials and Supplies $(186,700)
- Utilities $(163,800)
- Travel & Training $(74,900)
- Other $(113,800)

**Total Expense Increase** $2,661,000

- Labor and fringe related costs are increasing primarily as a result of contractually scheduled step wage increases contained in our labor union contract as well as a 2% general wage increase as we enter negotiations for a new collective bargaining contract with our bus drivers and maintenance workers union. It also reflects full year operation of services that were initiated in October 2017.
The increases in other fringe benefits and FICA relate to increased labor wage costs.

An increase in health care coverage is anticipated due to increased medical claim costs, administrative costs, and actuarial results.

Decreased Pension cost relates to more favorable actuarial results and better market investment performance causing the required company percentage contribution to decrease as a percent of labor cost.

Increases in fuel costs are primarily as a result of incremental increases in our new diesel and gasoline fuel hedge contracts. We hedge approximately 71% of our diesel and 75% of our gasoline consumption. Diesel contract prices are increasing from an average of $1.64 per gallon last year to a new contractual diesel hedge price of $1.82 per gallon. Unleaded fuel hedge prices are also increasing from an average of $1.59 last year to an average contracted price of $1.70 per gallon.

The increase in security services relates to more focus being put on our security presence at Music City Central, our main transfer facility, which has seen a recent uptick in security incidents over the past two years. There was also an increase in our contractual rates contained in our contract with the Metro Police Department.

The increase in taxi overflow services is primarily due to the services being under budgeted in FY2018 and actual expenses being significantly higher even with a focus of moving more paratransit service away from taxis to in-house service. While, we currently have a solicitation out to identify additional third-party providers of overflow services to hopefully have more choices and more competitive rates, the suggested budget for FY2019 has been established to be more realistic and conservative.

The decrease in parts maintenance relates to the fact that we will be receiving 31 new buses and 19 paratransit vans through FY2019 and retiring older fleet vehicles that have reached or passed their useful life. Our new buses will be under warranty for, essentially, the entire fiscal year.

The decrease in utilities relates to the completion of a capital project to install more energy efficient lighting at all three of our facilities during FY2018.

The decrease in travel and training and other administrative expenses is due to a concerted effort to identify areas that could be reduced on order to balance the FY2019 budget.

STAFF RECOMMENDATION

The New Initiatives and Community Engagement Committee recommends to the Board the adoption of the FY2019 budget as presented here. The adoption of the budget would be subject to receiving the anticipated award of our CMAQ grants described above.

Approved:

______________________________  ________________________
Secretary  June 28, 2018  Date
<table>
<thead>
<tr>
<th>Account Number</th>
<th>Account Description</th>
<th>FY 2019 Proposed</th>
<th>FY 2018 Final Budget</th>
<th>FY18 vs FY17 Variance</th>
<th>% Var</th>
<th>FY 17 Audited</th>
<th>FY 17 Budget</th>
<th>12 Month Trend Oct-17</th>
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<tbody>
<tr>
<td>401010</td>
<td>FULL ADULT FARES</td>
<td>5,197,000</td>
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<tr>
<td>42224</td>
<td>CAPITAL AD A REIMBURSEMENT</td>
<td>2,625,000</td>
<td>2,750,000</td>
<td>(125,000)</td>
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<td>2,500,000</td>
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<td>49,562,100</td>
<td>48,494,332</td>
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<td>450100</td>
<td>LABOR &amp; FRINGES</td>
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<td>55,928,203</td>
<td>55,330,740</td>
<td>56,767,560</td>
</tr>
</tbody>
</table>

**Passenger Fares**

- **Account Number**: 401010-401050
- **Account Description**: FULL ADULT FARES, SENIOR CITIZEN FARE, STUDENT FARE, ACCESSRIDE FARES
- **FY 2019 Proposed**: 5,197,000 - 864,900
- **FY 2018 Final Budget**: 4,910,300 - 864,900
- **FY18 vs FY17 Variance**: 286,700 - -
- **% Var**: 5.8% - 0.0%
- **FY 17 Audited**: 6,471,107 - 858,157
- **FY 17 Budget**: 7,175,700 - 940,950
- **12 Month Trend Oct-17**: 6,081,234 - 861,178

**Operating Assistance**

- **Account Number**: 409010
- **Account Description**: LOCAL ASSISTANCE
- **FY 2019 Proposed**: 48,635,900
- **FY 2018 Final Budget**: 48,635,900
- **FY18 vs FY17 Variance**: -
- **% Var**: 0.0%
- **FY 17 Audited**: 42,013,600
- **FY 17 Budget**: 42,013,600
- **12 Month Trend Oct-17**: 41,013,600

**Capital Revenue**

- **Account Number**: 430100
- **Account Description**: LABOR & FRINGES
- **FY 2019 Proposed**: 59,692,767
- **FY 2018 Final Budget**: 57,850,140
- **FY18 vs FY17 Variance**: 1,842,627
- **% Var**: 3.2%
- **FY 17 Audited**: 55,928,203
- **FY 17 Budget**: 55,330,740
- **12 Month Trend Oct-17**: 56,767,560

**TOTAL REVENUE**

- **Account Number**: 501-ALL
- **Account Description**: SALARIES & WAGES
- **FY 2019 Proposed**: 34,268,280
- **FY 2018 Final Budget**: 33,802,560
- **FY18 vs FY17 Variance**: 465,720
- **% Var**: 1.4%
- **FY 17 Audited**: 30,827,660
- **FY 17 Budget**: 31,909,790
- **12 Month Trend Oct-17**: 31,444,742

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**Metropolitan Transit Authority**

**Proposed Budget for FY2019**

**6/22/2018**
<table>
<thead>
<tr>
<th>Account Number</th>
<th>Description</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>FY 2018 vs FY17</th>
<th>% Var</th>
<th>FY 17 AUDITED</th>
<th>FY 17 BUDGET</th>
<th>12 MONTH TREND ~ Oct-17</th>
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<tbody>
<tr>
<td>503023-28</td>
<td>PROMOTIONAL SERVICES &amp; PROJECTS</td>
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<td>171,000</td>
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<td>OUTSIDE AUDITING EXPENSE</td>
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<td>WEB MANAGEMENT</td>
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<td>SECURITY SERVICES</td>
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<td>9,265,950</td>
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<td>GASOLINE</td>
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<td>4,876</td>
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<td>-</td>
<td>3,000</td>
<td>-</td>
</tr>
</tbody>
</table>
## Metropolitan Transit Authority
### Proposed Budget for FY2019

6/22/2018

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Account Description</th>
<th>FY 2019 PROPOSED</th>
<th>FY 2018 FINAL BUDGET</th>
<th>FY18 vs FY17 Budget Variance</th>
<th>% Var</th>
<th>FY 17 AUDITED BUDGET</th>
<th>FY 17 TRENDS ~ Oct-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>509081-991</td>
<td>MISCELLANEOUS-GENERAL</td>
<td>147,838</td>
<td>206,000</td>
<td>(58,162)</td>
<td>-28.2%</td>
<td>96,007</td>
<td>232,800</td>
</tr>
<tr>
<td>509994</td>
<td>POSTAGE</td>
<td>18,000</td>
<td>16,225</td>
<td>1,775</td>
<td>10.9%</td>
<td>17,481</td>
<td>16,225</td>
</tr>
<tr>
<td>509995</td>
<td>FREIGHT - PARTS</td>
<td>37,000</td>
<td>35,000</td>
<td>2,000</td>
<td>5.7%</td>
<td>40,085</td>
<td>30,550</td>
</tr>
<tr>
<td>509996</td>
<td>BUS ROADEO EXPENSES</td>
<td>29,000</td>
<td>40,000</td>
<td>(11,000)</td>
<td>-27.5%</td>
<td>37,351</td>
<td>37,125</td>
</tr>
<tr>
<td>512121</td>
<td>LEASE/RENT - STORAGE/EQUIPMENT</td>
<td>46,000</td>
<td>64,500</td>
<td>(18,500)</td>
<td>-28.7%</td>
<td>30,307</td>
<td>157,000</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td>596,053</td>
<td>784,875</td>
<td>(188,822)</td>
<td>-24.1%</td>
<td>542,911</td>
<td>835,695</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td></td>
<td><strong>84,323,116</strong></td>
<td><strong>81,662,170</strong></td>
<td><strong>2,660,946</strong></td>
<td><strong>3.3%</strong></td>
<td><strong>77,265,275</strong></td>
<td><strong>76,666,090</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SURPLUS/(DEFICIT)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(-)</td>
<td>(1,453,531)</td>
<td>(-)</td>
<td>(4,358,905)</td>
<td>(-)</td>
</tr>
</tbody>
</table>

| RTA Mgmt Fee       | ($827,520.00)            | ($803,400.00)            | ($803,400.00)            | ($803,400.00)            | ($803,400.00)            | ($803,400.00)            | ($803,400.00)            | ($803,400.00)            |
| Taxi Overflow      | ($3,800,000.00)           | ($2,876,690.00)          | ($2,876,690.00)          | ($2,876,690.00)          | ($2,876,690.00)          | ($2,876,690.00)          | ($2,876,690.00)          | ($2,876,690.00)          |

**Net Operating Expenses** | **$79,695,596.00** | **$77,982,080.00** | **$72,633,817.00** |

**Service Hours Estimated** | 758,672 | 721,869 | 667,076 |

**Cost per Hour** | $105.05 | $108.03 | $108.88 |

-2.76% -0.8%