



East Corridor Oversight Committee  
Tuesday, March 28, 2006 – 10:00 a.m.  
MTA Conference Room  
Nashville, TN

Minutes

THOSE IN ATTENDANCE

Paul Ballard	Governor Appointee
Rob Shearer	City of Mt. Juliet
Jeff Baines	City of Lebanon
Tom Brashear	Wilson County
Terry Bebout	TSG
Diane Davidson	TDOT
Randall Dunn	MDHA
Val Kelley	NERA
Paul Price	RTA/BAH
Kevin Walker	RTA/NS
Teresa McKissick	RTA

Mr. Paul Ballard called the meeting to order at approximately 10:00 a.m. on March 28, 2006. He mentioned that Mr. Farquhar was on vacation.

**1. Public Comments**

There were no public comments.

**2. Approval of March 14, 2006 ECOC meeting minutes**

Mr. Ballard called for the approval of the March 14, 2006 ECOC minutes. The numbering needs to be corrected. Randall Dunn motioned to approve the minutes with the numbering correction, Tom Brashear seconded and the motion passed unanimously.

**3. Amend Amount of Award of Operations and Maintenance Contract – Allyson Shumate**

Mrs. Shumate briefed the committee on the item. The contract amount included in the board motion did not include the mobilization costs. This is a house keeping item.

A motion was called to add the mobilization amount of \$1,372,642.00 to the Operating and Maintenance Contract for a total contract value not to exceed \$8,363,319. Diane Davidson motioned, Tom Brashear seconded and the motion passed unanimously.

#### **4. Update on Insurance Issues – Allyson Shumate**

This item is of utmost importance. RTA needs to identify collateral for this effort. A memo has been sent to Metro and we are also asking local governments of Wilson County to explore collateral options.

Staff was requested to look into the depreciation schedule for the equipment in particular.

The idea of extending the state tort liability to the operators was discussed. Limiting this to the middle TN area may help.

Tom Brashear mentioned the Mr. Juliet elementary school site and the possibility of using this as collateral for the Line of Credit. This would have to be decided by the Wilson County Commission and they are actively marketing this site to developers. Encumbering that site would limit the county's ability to market it.

Rob Shearer stated that the local match for both capital and operating has been provided by TDOT, Metro, and the three Wilson Governments. It was suggested that each entity pledge their full faith and credit in an amount based on the formula used in the financial and business plans to allocate the collateral needed for the Line of Credit for the SIR. The counties and cities would only have to fund this in the event the RTA dissolved or ceased to exist. Staff is to write a briefing on this issue for the ECOC to present to the full RTA board.

It was asked if NER could pledge their assets? NERA would need TDOT approval. TDOT could use their interest in the NERA to back the LOC.

The ECOC needs to determine the best overall solution to come up with this. IDB has bonding authority.

The ECOC suggest that Bank of America be asked directly what is needed to collateralize the amount of fund needed for the Line of Credit.

Mr. Ballard stated the ECOC must take a position. Could the local governments commit their amount of the LOC by resolution?

Jim Ladiou of TDOT asked if the \$2 million needed for the self insurance retention fund was included in the budget. Staff replied that this was not included in either the capital or the operating budget. It was suggested that a solution to fund it be placed in the Business Plan. Diane Davidson expressed concern over using all of the dues to cover the self insurance retention fund.

Rob Shearer of Mt. Juliet stated that he had discussed this issue with Greg Highnote of Congressman Cooper's office and he stated extending the tort liability by the state legislature was a good direction to proceed at this time.

The ECOC agreed that the two best options available at this time were as follows:

- 1 – Proceed with exploring the possibility of extending the state tort liability cap to the operators
- 2 – Have the state and local entities, TDOT, Metro, and the three Wilson Governments draft resolutions pledging their full faith and credit in an amount based on the formula used in the financial and business plans, to allocate the collateral needed for the Line of Credit for the SIR. The counties and cities would only have to fund this in the event the RTA dissolved or ceased to exist. Staff is to write a briefing on this issue for the ECOC to present to the full RTA board.

RTA staff will draft and email to the committee.

#### **5. Insurance Up-date- Allyson Shumate**

Mrs. Shumate briefed the committee on this issue. It was noted that the current quote from the underwriters were over budget. There is contingency to cover some of this, however the operating budget is very tight. Staff told the committee the insurance issue was discussed last week with the RTA Board as well as the NERA executive committee. Staff informed the committee that Mr. Drunic stated he was not comfortable with having the total liability coverage at \$25,000,000.00.

#### **6. Funding Update-Allyson Shumate**

Mrs. Shumate briefed the committee on this issue.

#### **7. Construction Update – Kevin Walker**

Mr. Walker updated the committee on the latest construction status.

#### **8. Marketing Update – Teresa McKissick –**

Mrs. McKissick briefed the committee on the status of the items.

The employer outreach effort is currently underway. The RTA would like to get Mayor Purcell to sign the letters to issue to the downtown businesses. Mr. Paul Ballard stated that Eric Beyer is currently doing these activities with many employers for MTA. Mr. Ballard suggested we work with Eric on the entire package.

Diane Davidson mentioned the State should not be overlooked as an employer. General Services is reducing the free parking.

Tom Brashear and Rob Shearer mentioned that the finalists from the Nashville Star are both from Wilson County. It was suggested they be approached to see if they would be interested in voice overs, etc. It was also suggested a television ad be produced to place on the cable access government channels.

Direct Marketing also will be mailings, etc. We discussed doing a Wilson Post article and a Democrat article as well.

#### **9. Other Business**

The meeting was adjourned at approximately 11:40.