

MEMPHIS AREA TRANSIT AUTHORITY

1370 Levee Road

Memphis, TN 38108

Telephone: 901-722-7100 www.matatransit.com

Gary J. Rosenfeld

Chief Executive Officer

Board of Commissioners

Martin Lipinski – Chair

Kristen Bland
Shelia Williams
Tommy Pacello
Michael Fulton

Janice Holder
Robert Clark
Michelle McKissack

AGENDA

- **Board of Commissioners Virtual Board Meeting**
Tuesday July 28, 2020
3:30 p.m.

- | | | |
|---|---|-----------------|
| I. | Call to Order | Martin Lipinski |
| II. | Board Roll Call | Linda Eskridge |
| III. | Approval of June 23, 2020 Board Minutes | Commissioners |
| IV. | CEO Report | Gary Rosenfeld |
| Placeholder:
-Information on out of policy procurements due to COVID | | |
| V. | Consent Agenda Item(s) | Gary Rosenfeld |
| a) | Resolution Authorizing the Disposition of Trolley Cars
-Res. No. 20-23 | |
| b) | Resolution to Approve Service for Senior Funded by Aging
Commission of the Mid-South -Res. No. 20-24 | |
| c) | Resolution Authorizing the Disposal of Real Property @ 3091
Austin Peay Hwy, Memphis Parcel ID 085029-00007
-Res. No. 20-25 | |
| VI. | Service and Development Item(s) | |
| a) | Resolution Authorizing an Amendment to Contract with The
Lamar Advertising Company for Transit Advertising -Res. No. 20-26 | |

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Agenda

VII.	Procurement Agenda Item(s) -Update on COVID Purchases	Gary Rosenfeld
VIII.	Finance Agenda Item(s) a) Resolution to Approve a Contract Between Shelby County Government Through the Memphis Urban Area Metropolitan Planning Organization and Memphis Area Transit Authority -Res. No. 20-27 b) Resolution Authorizing Insurance Coverage -Res. No. 20-28 -Placeholder for Budgets Financial Report	Gary Rosenfeld
VI.	Speaker(s) Acknowledgement	Bernhard Rudolph
VII.	Old/New Business	Lawson Albritton
VIII.	Adjournment	Martin Lipinski

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CALL TO ORDER: A virtual meeting of the MATA Board of Commissioners was called to order by Chairman Martin Lipinski at 3:30 p.m. on Tuesday, June 23, 2020.

BOARD ROLL CALL:

Present: Martin Lipinski, Tommy Pacello, Michael Fulton, Michelle McKissack; Janice Holder; Shelia Williams; Robert Clark

Absent: Kristen Bland

Quorum: Yes

Staff: Lawson Albritton, Senior Administrative Officer; Linda Eskridge, Board Secretary/Executive Assistant, Nicole Lacey, Chief Communications Officer; John Lancaster, Director of Planning & Scheduling; Gary Rosenfeld, Chief Executive Officer; Bernhard Rudolph, Chief Financial Officer

Guests: None

Minutes of the May 28, 2020 Board of Commissioners Meeting were unanimously approved.

CEO Report – Gary Rosenfeld

Mr. Rosenfeld read the justification for MATA holding this meeting remotely. Mr. Rosenfeld then presented the CEO Report.

Joint task force of Shelby and Memphis will now be meeting every Tuesday and Friday. Every Monday the APTA Bus Operations Committee has a conference call to hear innovative solutions to Covid-19 related issues and give us an opportunity to share with different agencies, as well as pick up some best practices. Several members of the leadership team participate in this call on a regular basis. The Mayors monthly review meeting with all department heads within the city will take place 6/24/20 to report on statistics reports. On June 25th and weekly thereafter, the Frazier Exchange Club comes together on a weekly basis during a virtual meeting. This is a great way to get information out to the community, such as MATA's service changes. Frazier is an up and coming area and is doing quite well despite the issues that we face as a general community with the COVID issues. The Bus Coalition on June 29, of which MATA is a big part of. This is an advocacy group currently working on the reauthorization. The initial aspect shows an increase from where we are today, which is a testament to their efforts. There was some concern that they were going to start the reauthorization discussion where the last reauthorization was, but by doing it this way, we do not have to fight for the same money twice. The AARP Steering committee will meet on June 30 and July 21. These meeting are tentative, as they are very cautious about having face to face

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meetings so until they get virtual ability these are subject to change. APTA mid-size system monthly calls are on July 2nd and this gives us an opportunity to share best practices and issues that different size agencies are facing. Memphis City Council will meet on June 21st. Mr. Rosenfeld reminded the Board that if they do have an opportunity to chat with councilmen in your daily discussions, please remind them that as we move closer to the next budget season MATA will still need to get our \$10MM that was taken out of our budget for FY21, There are great some great advocates on the Memphis City Council. MATA will continue to keep its presence with the Shelby County Commission so that we do not lose the momentum that we had prior to the COVID-19 issues. Innovation Corridor project management team will meet on July 23 despite the COVID-19 issues, this project seems to remain on schedule, and we are excited about that. The Memphis Innovation Corridor allows you to submit comments and you are encouraged to visit and post your comments. The MMBC Board Meeting will be held on July 16th. Gary updated the Board on the statistical report, and he stated that we will probably suspend this report for the future. Last month the Board authorized us to suspend the process of the CAD/AVL System and it continues to be problematic. We need to monitor this data a little closer as there is a chance our system is performing much better than what is being reported. Miles between road calls we hit our goal in April we were just under 8,000 and our goal is 8,000, and we are almost at 9000. Mr. Rosenfeld stated that he is very happy with the performance of Mr. Mull, Director of Maintenance, and his team and in the last few months they have been making some huge gains and it is beginning to show in the statistics. We will be looking at re-examining and re-re-establishing some new goals as we get closer to the Fiscal year. This ended the CEO's report.

June Board Agenda Items

Service and Development

- a) Resolution Authorizing the Filing of Applications with the Tennessee Department of Environment & Conservation for the Volkswagen Diesel Settlement Environmental Mitigation Trust (VW Settlement EMT) Transit and Shuttle Bus Grant – Res. No. 20-21

Discussion: Mr. Rosenfeld presented the resolution to the Board. The VW Settlement Trust is the result of a national settlement with VW over diesel emissions testing. In the past it seems they were loading their equipment so that it would recognize when it was being tested and provide different operating environments which led to certification rather than the regular day-to-day operation results, which would have meant that it wouldn't have passed for certification. Big settlement, hundreds of millions, if not billions, go to all 50 states required to develop a distribution plan for transit, for school bus, shuttle buses, trucks, basically all diesel-powered vehicles. The state of Tennessee delegated that authority to the environmental department conservation. MATA was awarded \$2.1MM on a \$3MM project. This is to fund the purchase of three electric-powered vehicles as well as the equipment associated with them. It should be noted that currently on property we have an electric bus from one of the big manufacturers that provides them, and the bus will be here for the next two weeks. Hopefully, we will be able to put it into service so that we can get public comments as well. Basically, this authorizes us to sign the contract

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with TDEC for the \$2.1MM and fines us to follow their rules and provide them with the necessary data so that they can monitor the product appropriately. *Mr. Clark moved that the resolution be put on the floor for discussion and Mr. Pacello seconded the motion.* Mr. Lipinski asked if we need to invest in any new maintenance equipment or any training of the maintenance staff. Mr. Rosenfeld stated that we have grant monies available for close to 25 electric buses, there will be a need for computer equipment, proper battery storage, there will be a tremendous amount of training that we have been prepping for our maintenance staff. Even bus operators will be getting some training as well.

Resolution No. 20-21 PASSED.

b) Resolution to Rescind Res. No. 19-09 for Award of Contract to Trapeze Software Group, Inc. to Purchase Fareboxes and Equipment for a Next Generation Fare System -Res. No. 20-22

Discussion: Mr. Rosenfeld presented this resolution to the Board. Mr. Shyam Dunna with nMomentum, which is our consulting company was present. This is the company that is working on our Next Generation Fare System (NGFS) and our ERP system. We have been working on NGFS for a year now and have rolled out pieces for it. We went fareless for the protection of our operators and our customers. Should we continue down the path of installing new fareboxes and accepting cash or should we take the big leap of going cashless we could take the money that we would have spent on fareboxes and upgrade bus stops. Mr. Dunna did a presentation to the Board regarding a description of what MATA's current fare systems are doing and what has been the plans for the future of the NGFS as well as looking at some of the protocols we have to consider due to the COVID 19 pandemic and all the other transit agencies trying to protect the staff and public. Mr. Dunna discussed a few action items that were requested of the Board that he will go through and the Q&A period. Mr. Rosenfeld called for any questions that Board Members may have with the understanding that we are looking to the Board to authorize the staff to phase out onboard cash with a target date of the 2nd quarter of 2021 in order to minimize the COVID 19 or any other pandemic related risk. Staff would also like the authorization to cancel the new farebox contract with the vendor. There is some cost associated with it because they have done some work for which they would need to be compensated, but there would be approximately \$2.8MM remaining from that contract that we will be able to re-deploy for TVM at high traffic areas along our new network. We need to start giving some consideration for new fare structures and we will bring to the Board staff recommendations in the third quarter of 2020 and will bring that to the Board within the next few months. We want to be able to take advantage of things that the farebox brings us. Questions from the Board:

1) *Mr. Clark asked what is the feedback that we are getting from the drivers or the union, and are they supportive of this?* Mr. Rosenfeld stated he cannot say they are supportive of this, but I do know they have some serious concerns with accepting cash and manipulating the farebox. They are aware of what is going on in the community and they share our concerns. If this were something that we could do tomorrow, we would do it, but we need to take the necessary steps to do it correctly. This would be a great way to move us forward as a community in terms of the embracing of the technology.

2) *Mr. Fulton stated that he supports this resolution and he has been an advocate of contactless and mobile payment since he has been on this Board. He just wants to make sure that we are properly notifying our ridership and taking them with us as we implement these changes. Also advertising to the business community.*

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Mr. Fulton also thinks this would be a good time to advertise bulk payment to the employers to buy passes for their employees to get to work downtown as we implement the Bus Rapid Transit in the future. Mr. Rosenfeld stated that Mr. Fulton is spot-on in terms of this technology enabling us to do that. One of the reasons that we are looking at phasing out cash for a year or more is so that we can bring the passengers and communities along. Mr. Rosenfeld stated that for sure we will have a long engagement with our passengers.

3) Michelle McKissack stated as well that Mr. Fulton was spot-on as she is totally for going cashless and is also glad to hear about the prolonged outreach as we make the transition. Ms. McKissack has a great concern about our seniors not being tech savvy and having to pay with cell phones. She wants to make sure that extra care is given to that area of the population. Mr. Rosenfeld stated that we will have mobile kits that we will be able to take to presentations and group meetings to sign people up and teach them what they need to do. We enjoy a nice relationship with the Shelby County Department of Aging as we do transportation services for them and we will be using them as a resource.

Mr. Lipinski asked Mr. Rosenfeld if he would read that resolution to support this in the event the Board wants to go ahead and make a vote on it. Mr. Rosenfeld read the resolution and Mr. Lipinski called for a vote from the Board to approve the resolution. *Mr. Michael Fulton moved that the resolution be approved after no further questions. Ms. McKissack seconded the motion.* The resolution will be added to the June Board Meeting Agenda as **Resolution No. 20-22 PASSED.**

Finance Agenda Item(s)

1) The Budget Resolutions will be postponed until we receive guidance from the state on the status of state funding. Mr. Rosenfeld made a brief presentation on the Capital and Operating Budgets to bring everyone up to date on what was discussed at the Finance Committee Meeting.

2) Financial Report

No Financial report was given for this month, but a report will be given at the July Board Meeting that will consist of year-end numbers.

Speakers

Mr. Albritton read a letter from Mr. Johnny Mosley as follows:

To: MATA Board of Commissioners

From: Johnnie Mosley, Chairman, Citizens for Better Service

Date: June 22, 2020

Subject: Comments for MATA Board Meeting on June 23, 2020

As I observed Father's Day this past Sunday, I found myself thinking about these comments as I thought about my deceased father, a sanitation worker for five decades. I know, if he were alive, he would not be surprised that I find myself worrying about the problems of bus riders. After all, my father showed by

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example that one should never turn your back on our struggling neighbors when he along with his co-workers marched in 1968 so generations, including mine, could walk through doors which were closed to his generation.

To MATA officials and board members who are tired of hearing from Mr. Johnnie Mosley and great bus riders' advocates such as Mr. Sammie Hunter, Ms. Cynthia Bailey, and Mother Georgia King, I understand. I am tired of bringing the same problems to the MATA Board and MATA administration. But somebody must tell the story. Somebody must, respectfully, ask MATA to, literally, take its knees off the necks of bus riders who are totally dependent on MATA.

I am cognizant that there are bus riders who constantly feel that they are being treated like third -class citizens by MATA. I know there are bus riders in Boxtown, Northaven and Firestone who are tired of being victims of a bad transit system which has stripped them of their bus routes. I know there are single mothers, senior citizens, families, and minimum wage employees wondering why they are being forced to take long and dangerous walks to main streets to catch a bus.

I refuse to believe that the largest public transit system in the state of Tennessee cannot afford to provide adequate public transportation to underserved neighborhoods in Memphis.

I believe that "all lives matter "and MATA should work to put the 6 Northaven, 31 Firestone, and 38 Boxtown back on the streets so the residents in these underserved communities can get to their essential destinations without tribulations.

I understand what President John F. Kennedy meant when he said," If a free society cannot help the many who are poor, and it cannot save the few who are rich".

I, respectfully request that MATA provide adequate public transportation for all in our city.

Old/New Business

DBE Program Overview

Presented by Mr. Anthony Amos, Compliance Manager

DOT's DBE Program seeks to ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs and to create a level playing field on which DBEs can compete fairly for DOT-assisted contracts. The FTA Office of Civil Rights regulates the program and requires funded entities to set a triennial goal (overall baseline goal). The FTA also requires a semi-annual Uniform Report with a deadline of June 1st and December 1st of each fiscal year. The FTA prohibits recipients from using set-asides or quotas to achieve the program's goal. The primary areas for contractual opportunities for DBEs are in the areas of construction, engineering, IT, Insurance Brokerage, and Professional Services (Consulting).

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To achieve MATA's current goal, the DBE Compliance Officer has participated in over eighteen events involving Minority and Women-Owned Businesses (current fiscal year). MATA's current DBE goal is 6.02% and, derived by using FTA recommended methodology. MATA is 1.9% below the median among the top ten cities (transit agencies) with the highest minority population. The fiscal year 2017 MATA did not meet its' DBE goal resulting in having to perform a shortfall analysis. Since that time, MATA's performance has been 20.18% (June 18), 19.72% (December 18), 12.98% (June 19), 16.76% (December 19), and 17.74% (June 20).

Mr. Lipinski commented highly on the DBE Report and stated that this was very a comprehensive and very enlightening report.

Ms. Shelia Williams thanked Mr. Amos for a good report and stated that she is an African American woman in business and appreciate the work and efforts in making sure that women-owned businesses becomes successful.

Mr. Fulton commended Mr. Amos on his very thorough report and his numerous mentions of the Airport Authority. Mr. Fulton stated we are moving in the right direction, but he would like to challenge Mr. Amos and management to raise the floor and MATA to be the standard-bearer for not only our state, region, as well as standard-bear standard-bearer in this nation of what we do for DBE participation with our contracts. It will be different because of the COVID 19 pandemic. Mr. Fulton also commended MATA management as well. Mr. Fulton stated that he was invited to an event that MATA held with some DBE participants and businesses, which was a Telecast Forum to forecast what kind of projects that MATA had online, and he looks forward to the work that MATA will be doing over the next few years.

Mr. Rosenfeld thanked commissioners for their comments on the DBE Report and stated that Mr. Amos always represents MATA well.

Mr. Fulton mentioned that the authority for having meeting by electronic means will end on June 30 and do not believe the government will be extending that order.

Mr. Rosenfeld stated that MATA's next meeting will be in person and we may have to have our first in person meeting offsite due to the public's participation and social distancing. (We later found out that the virtual meeting will be extended, at least through July.

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ADJOURNMENT

Mr. Fulton moved the meeting be adjourned and Ms. Williams seconded the motion and the Board meeting was adjourned.

Martin Lipinski, Chairman

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**MEMPHIS AREA TRANSIT AUTHORITY
BOARD OF COMMISSIONERS**

RESOLUTION NO. 20-23

RESOLUTION AUTHORIZING THE DISPOSITION OF TROLLEY CARS

WHEREAS, The Memphis Area Transit Authority (MATA) operates heritage streetcars along Main Street, Madison, and the Riverfront; and

WHEREAS, from time to time, heritage streetcars become unserviceable due to their age, the availability of parts or the overall condition of the cars themselves; and

WHEREAS, Streetcars #1978 (double truck W-2), streetcar #417 (double truck W-2), streetcar 156 (single truck Oporto), and streetcar #1979 (single truck manufactured by Gomaco) have been determined to be unserviceable; and

WHEREAS, in addition to MATA's standard disposal process, it is in the best interest of MATA to seek alternative disposition methods such as by vendor credit, written bids, electronic bids, trade-in, FTA transfer, negotiated sale price or by public auction; and

WHEREAS, staff recommends that personnel employed by Mid-South Transportation Management, Inc. or First Transit, Inc. or contractors shall not be permitted to participate in the sale or future ownership of these streetcars.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS AREA TRANSIT AUTHORITY BOARD OF COMMISSIONERS That MATA staff is authorized to seek allowable alternative disposition methods as acceptable to FTA for the disposition of heritage streetcars #1978, #417, #156 and #1979.

BE IT FURTHER RESOLVED That personnel employed by Mid-South Transportation Management, Inc. (MTM) or First Transit, Inc. shall not be permitted to participate in the sale or future ownership of the streetcars and shall not sell, trade or otherwise dispose of the excess vehicles to an officer, employee or contractor of MATA or any member of such officer's, employee's or contractor's immediate family. Such prohibition shall apply for a period extending six months following the termination of such officer's term; such employee's employment; or such contractor's contract.

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**MEMPHIS AREA TRANSIT AUTHORITY
BOARD OF COMMISSIONERS**

RESOLUTION NO. 20-24

**RESOLUTION TO APPROVE SERVICE FOR SENIORS FUNDED BY THE AGING COMMISSION OF THE
MID-SOUTH**

WHEREAS, The Memphis Area Transit Authority (MATA) operates transit service within the City of Memphis and Shelby County; and

WHEREAS, The Aging Commission of the Mid-South has agreed to reimburse MATA up to \$82,000 with federal funding for the provision of transportation service for persons aged 60 and older through a contract with Shelby County Government; and

WHEREAS, MATA must have the approval of the Mayor and City Council of the City of Memphis to enter into any service and operation agreements with any other governmental jurisdiction for transportation services, and MATA's authority to enter into contracts for grants and other funding assistance is limited to grants and funding assistance made available by federal or state agencies; and

WHEREAS, MATA will provide transportation for one-way trips to meet activities of daily living, such as medical or healthcare appointments, shopping, or socialization as permitted by the Older Americans Act Community Support Services; and

WHEREAS, Provision of this service will not adversely impact the existing service and operation of MATA.

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS AREA TRANSIT AUTHORITY BOARD OF
COMMISSIONERS** That MATA may begin the operation of this service with an effective start date of July ??, 2019 and continue to provide the service as long as funding is available.

BE IT FURTHER RESOLVED That MATA be authorized to enter into a contract with Shelby County Government and that the Chief Executive Officer, Chief Administrative Officer, the Chairman and Vice-Chairmen of the MATA Board are authorized to execute the necessary documents.

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**MEMPHIS AREA TRANSIT AUTHORITY
BOARD OF COMMISSIONERS**

RESOLUTION NO. 20-25

**RESOLUTION AUTHORIZING THE DISPOSITION OF REAL PROPERTY @ 3091 AUSTIN
PEAY HWY MEMPHIS, PARCEL ID 085029-00007**

WHEREAS, The Memphis Area Transit Authority (MATA) owns property at 3091 Austin Peay Hwy, Memphis, TN, (parcel Number 085029-00007) that is no longer needed for its intended purpose; and

WHEREAS, the current short-range transit plan (Transit Vision) does not call for a passenger facility at or near this location; and

WHEREAS, it is in the best interest of MATA to seek alternative disposition methods for this excess property; and

WHEREAS, the disposition of the excess property shall be in accordance with current FTA regulations as noted in 49 CFR Part 18.31, the FTA Master Agreement, and 5010.1D – Grants Management Circular; and

WHEREAS, staff recommends that personnel employed by Mid-South Transportation Management, Inc., First Transit, Inc., or MATA officers or contractors shall not be permitted to participate in the sale or future ownership of the property.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS AREA TRANSIT AUTHORITY BOARD OF COMMISSIONERS That MATA staff is authorized to seek allowable alternative disposition methods as acceptable to FTA for the disposition of the excess property located at 3091 Austin Peay Hwy, Memphis, TN (parcel #085029-00007).

BE IT FURTHER RESOLVED That personnel employed by Mid-South Transportation Management, Inc. (MTM) or First Transit, Inc. shall not be permitted to participate in the sale or future ownership of the property and shall not sell, trade or otherwise dispose of the excess property to an officer, employee or contractor of MATA or any member of such officer's, employee's or contractor's immediate family. Such prohibition shall apply for a period extending six months following the termination of such officer's term; such employee's employment; or such contractor's contract.

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Below is a Power Point presentation associated with the above Resolution.



Tuesday_AM_Whyte
_Gallegos_FTA_real_

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**MEMPHIS AREA TRANSIT AUTHORITY
BOARD OF COMMISSIONERS**

RESOLUTION NO. 20-26

**RESOLUTION AUTHORIZING AN AMMENDMENT TO THE CONTRACT WITH THE LAMAR
COMPANIES FOR TRANSIT ADVERTISING**

WHEREAS, The Memphis Area Transit Authority (MATA) generates revenue through the sale of advertising on the outside of buses (wraps) and through advertising placed at transit shelters that are owned by MATA and that are owned by a private company; and

WHEREAS, The Lamar Companies is currently operating under an Amendment to Contract #12-33 with MATA to provide and maintain transit shelters placed along MATA routes; and

WHEREAS, The Lamar Companies also sells advertising space within those shelters; and

WHEREAS, The Lamar Companies pays MATA a minimum payment as a concession fee for advertising on transit shelters; and

WHEREAS, due to the COVID pandemic current advertising revenues are down by over 50%; and

WHEREAS, The Lamar Companies is seeking relief from the minimum payment in the amount of \$40,000; and,

WHEREAS, The Lamar Companies is current on their quarterly payments for this year; and

WHEREAS, MATA staff recommends that relief be given to The Lamar Companies through December 31, 2020.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS AREA TRANSIT AUTHORITY BOARD OF COMMISSIONERS That MATA staff is authorized to amend the contract between The Lamar Companies and MATA for the remainder of calendar year 2020 and reduce the minimum payment required by \$40,000 for annually.

BE IT FURTHER RESOLVED That in the event that the State of Emergency is lifted, and the economic conditions return to pre-pandemic levels that staff be authorized to re-negotiate any outstanding concession fees due.

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**MEMPHIS AREA TRANSIT AUTHORITY
BOARD OF COMMISSIONERS**

RESOLUTION NO. 20-27

**RESOLUTION TO APPROVE A CONTRACT BETWEEN SHELBY COUNTY GOVERNMENT THROUGH THE
MEMPHIS URBAN AREA METROPOLITAN PLANNING ORGANIZATION AND MEMPHIS AREA TRANSIT
AUTHORITY**

WHEREAS, The Memphis Area Transit Authority (MATA) works cooperatively with the Memphis Urban Area Metropolitan Planning Organization (MPO) on transit planning activities in the Memphis area under a written Agreement; and

WHEREAS, Federal Transit Administration Section 5303 Transit Planning funds are allocated to the Memphis area through the Tennessee Department of Transportation (TDOT) on an annual basis; and

WHEREAS, Shelby County Government agrees to provide MATA \$112,500 in 5303 funding for reimbursement of expenses related to transit planning activities; and

WHEREAS, The term of this contract will commence upon the execution of the contract and continue through June 30, 2021 with the option to renew for two additional one-year periods upon written mutual agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS AREA TRANSIT AUTHORITY BOARD OF COMMISSIONERS That the Contract between Shelby County Government through the Memphis Urban Area Metropolitan Planning Organization is approved.

BE IT FURTHER RESOLVED That the Chief Executive Officer, the Chairman and Vice-Chairmen of the MATA Board are authorized to execute the necessary documents.

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**MEMPHIS AREA TRANSIT AUTHORITY
BOARD OF COMMISSIONERS**

RESOLUTION NO. 20-28

RESOLUTION AUTHORIZING INSURANCE COVERAGE

WHEREAS, the Memphis Area Transit Authority (MATA) maintains a risk management program that includes various lines of insurance coverage; and

WHEREAS, third-Party Administration services are included for Workers Compensation claims and Auto/General Liability claims; and

WHEREAS, the expiration date for the current coverage is July 31, 2020 at 11:59 p.m.; and

WHEREAS, under contract, MATA's insurance broker, Arthur J. Gallagher Risk Management Service, Inc., solicited requests for coverage for the period August 1, 2020 to July 31, 2021; and

WHEREAS, the carriers listed on the attached schedule quoted the most competitive premiums; and

WHEREAS, Staff considers these premiums to be reasonable given the current facts and circumstances.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS AREA TRANSIT AUTHORITY BOARD OF COMMISSIONERS That insurance coverages and Third-Party Administration agreements be approved as shown for the period of August 1, 2020 to July 31, 2021 for a total cost not to exceed \$820,721.

BE IT FURTHER RESOLVED That Staff is authorized to add and delete rolling stock and facilities from the insured items list at the appropriate time at rates consistent with those approved by this resolution.

BE IT FURTHER RESOLVED That Staff is authorized to approve additional costs of the Third-Party Administrator associated with investigation and settlement of claims on an as needed basis.

BE IT FURTHER RESOLVED the Chief Executive Officer, Chief Administrative Officer, Chairman and Vice-Chairman are authorized to execute the necessary documents.

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INSURANCE COVERAGES FOR PERIOD OF AUGUST 1, 2020 – JULY 31, 2021

Coverage	Company/Carrier	Annual Premium
Property	Travelers	131,465
General Liability (GL)	Munich	213,135
Auto Physical Damage (APD)	Seneca	64,686
Defined Perils	Hanover	127,875
Terrorism	Lloyds	18,250
Executive	Cincinnati	22,393
WC TPA	PMA	38,795
Broker Fee	Gallagher	67,500
Felonious Assault	Chubb	1,975
Cyber	AXIS	7,989
P & C Totals		694,063
Work Comp	Safety National	126,658
Total All Lines		820,721

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TO: **MATA Board of Commissioners**

FROM: **Gary Rosenfeld, Chief Executive Officer**

SUBJECT: **Insurance Coverage Effective August 1, 2020**

DATE: **July 28, 2020**

Staff proposes private insurance in the following categories of coverage:

- | | |
|---|--------------------------------|
| - Property | Crime & Fiduciary |
| - Defined Perils Physical Damage – Revenue Vehicle Fleet | - Terrorism |
| - Physical Damage – Service Vehicle Fleet | - Excess General Liability |
| - Directors & Officers and Employment Practices Liability and | - Excess Workers' Compensation |
| | - Felonious Assault |
| | - Cyber |

MATA is self-insured for General Liability up to \$2,000,000 and for Workers Compensation up to \$500,000. The Excess policies are invoked for claims exceeding these retention amounts. The other coverages' deductibles are generally in the range of \$10,000-\$75,000, except for buses (\$100,000) and trolleys (\$250,000). The coverage limit for the revenue vehicle fleet for the new policy period has been reduced from \$40,000,000 to \$10,000,000 and does not cover hail damage.

MATA has a five-year contract with Arthur J. Gallagher Risk Management Services Inc. (AJG) to develop our insurance program on an annual basis. AJG's services include securing the most competitive quotes for the various insurance coverages and advising MATA on insurance-related issues. AJG is recommending the carriers and premiums shown on the accompanying resolution for the year beginning on August 1, 2020.

The comparison of premiums for the new year as compared to the expiring year are shown on the following page.

MEMPHIS AREA TRANSIT AUTHORITY

1370 Levee Road

Memphis, TN 38108

Telephone: 901-722-7100 www.matatransit.com

Coverage	FY 20 Premium	FY 21 Premium	Percentage Change
Property	111,414	131,465	18.0%
General Liability	224,500	213,135	-5.1%
Auto Physical Damage (APD)	50,189	64,686	28.9%
Defined Perils	110,000	127,875	16.3%
Terrorism	18,000	18,250	1.4%
Executive	22,393	22,393	0.0%
WC TPA	38,795	38,795	0.0%
Broker Fee	65,000	67,500	3.8%
Felonious Assault	1,975	1,975	0.0%
Cyber	8,049	7,989	-0.7%
P&C Total	650,315	694,063	6.7%
Worker Comp	103,558	126,658	22.3%
Total Expiring Lines	753,873	820,721	8.9%

*plus additional third-party administration fees of \$630 for bodily injury and \$425 for physical damage for auto liability and general liability claims above a set number.

Compared to the expiring policies, there is an increase in total premium. Premiums are determined largely by exposure (measured by value of assets or operating costs) and per unit rates established by the insurance companies. Per unit rates are affected by our experience as well as the experience across the country.

In addition to the insurance program, AJG also arranges for the Third-Party Administrator (TPA) for Workers Compensation claims and Auto and General Liability claims. AJG is recommending continuing with PMA Companies for both. Use of the TPA for workers compensation claims has resulted in improved management and cost containment in this program. The cost comparison from the expiring year is shown in the table above.

Staff recommends approval of the proposed program.