

**MINUTES**  
**MEETING OF THE BOARD OF DIRECTORS**  
**BUSINESS MANAGEMENT COMMITTEE**  
**METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY**

**July 31, 2014**

The Board of Directors Business Management Committee met on July 31, 2014 at 10:09 a.m. in the Board Room on the 6<sup>th</sup> Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

**Board Members Present**

Robert L. Ashe III  
Frederick L. Daniels, Jr., *Chair*  
Jim Durrett  
Roderick Edmond  
Kirk Fjelstul\*  
Freda Hardage

MARTA officials in attendance were: GM/CEO Keith T. Parker, AICP; Chief Operating Officer Richard A. Krisak; Chief of Staff Rukiya S. Eaddy; Chief Administrative Officer Edward L. Johnson; Chief Financial Officer Gordon L. Hutchinson; Chief Counsel Elizabeth O'Neill; AGMs LaShanda Dawkins (Interim), Wanda Dunham, Ming Hsi, Ryland McClendon, James Sibert (Acting) and Terry Thompson; Executive Director Ferdinand Risco; Senior Directors Bernard Guida and Kevin Hurley; Directors Charlotte Harris and Johnathan Hunt,; Managers Ric Edmonds and Alisa Jackson; Executive Manager to the Board Rebbie Ellisor-Taylor; Manager Executive Office Administration Tyrene L. Huff; Finance Administrative Analyst Tracy Kincaid. Other in attendance Davis Allen, Charles Curry, Abebe Girmay, Nicholas Gowens, Cassandra Harriman, Uladia Taylor, Tuan Vo and Dansby Wade.

Also in attendance Richard Markwith of Transystems.

**Consent Agenda**

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- a. Approval of the June 26, 2014 Business Management Committee Meeting Minutes
- b. Resolution Authorizing Renewal of a Sole Source Contract with Open Text Inc. for the Open Text Software Upgrade, Maintenance, and Support P34019

- \* Kirk Fjelstul is Executive Director of Georgia Regional Transit Authority (GRTA) and is therefore a non-voting member of the MARTA Board of Directors

On motion by Mrs. Hardage seconded by Dr. Edmond, the Consent Agenda was unanimously approved by a vote of 3 to 0, with 4\* members present.

**Individual Agenda**

**Resolution to Authorize RFP for Mobile Fare Payment Solution**

Mrs. Hsi presented this resolution for Board of Directors' approval authorizing the solicitation of proposals for Mobile Fare Payment Solution by means other than competitive bidding, in accordance with Section 14(m) of the MARTA Act, through the use of Request of Proposals.

On motion by Mr. Ashe seconded by Mrs. Hardage, the resolution was unanimously approved by a vote of 4 to 0, with 5\* members present.

**Resolution Authorizing the Award of a Sole Source Contract with Cubic Transportation System, Inc. for Software Modifications to the Breeze Vending Machines to Incorporate Regional Branding and Fare Products, RFP P33523**

Mrs. Hsi presented this resolution for Board of Directors' approval authorizing the award of a Sole Source Contract with Cubic Transportation System, Inc. for software modifications to the Breeze Vending Machines to incorporate Regional Branding and Fare Products.

On motion by Mr. Durrett seconded by Mrs. Hardage, the resolution was approved by a vote of 4 to 1, with 6\* members present.

Mr. Ashe voted no.

**Resolution Authorizing the Award of a Contract for Bond Counsel Contract, RFP P31150**

Mr. Hurley presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to execute a contract with Holland & Knight to provide Bond Counsel Services with an estimated contract value of \$150,000 to cover potential expenses.

On motion by Mr. Ashe seconded by Mr. Durrett, the resolution was unanimously approved by a vote of 5 to 0, with 6\* members present.

**Briefing – MARTA Debt Program Action Plan**

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Mr. Hurley briefed the Committee on MARTA's Debt Program Action Plan.

*Near Term Opportunities and Actions*

- Series 2000B Variable Rate Bond Mode Conversion
  - Market Analysis on Floating Rate Notes (FRN) continues to show favorable "all-in" pricing when compared to existing LOC pricing for Series 2000B Bonds
  - Utilize team of underwriters, lawyers and advisors who successfully completed the Series 2000A remarketing in June
  - Goal for Series 2000B Bonds is to maintain low variable cost of funds while eliminating the costly letter of credit fees and bank counterparty risk
  - Pricing approval at September 10<sup>th</sup> Board of Directors Meeting
- Establish Floating Rate Note Program - \$400M
  - Replace Commercial Paper Program
    - Utilizes short term variable rates to lower interest cost
    - Eliminates requirement for Letter of Credit support
    - Over 3 years, saves in excess of \$1,000,000
    - Eliminates bank counterparty risk
    - Eliminates need for multiple banks to achieve full \$400M commitment
- Administered similar to Commercial Paper Program
  - Board initially approves ability to sell in tranches up to \$400M total
  - Each tranche has pricing and documents brought to Board for approval
  - Fixed out with long term debt as market opportunities arise
- Will be presented at August 28<sup>th</sup> Business Management Committee Meeting

*Board of Directors Actions*

- Approval of pricing on Series 2000B mode conversion - \$95.7M
- Approval of Resolution to Establish and Issue Floating Rate Notes - up to \$400M

**Briefing – May Year-to-Date FY 2014 Budget Variance Analysis and Performance Indicators**

Mr. Hutchinson briefed the Committee on the May Year-to-Date FY 2014 Budget Variance Analysis and Performance Indicators.

- May was a good month – Revenues exceeded expenses by \$1.4M
- Passenger Revenue increased by \$1.1M; while this is encouraging news it is too early to call it a trend
- Salaries are higher than the prior year due to new hires
- Capital Charges have been negative but turned the corner in May
- MARTA may have small loss in June due to accruals but will end the fiscal year positive
- Without the impact of the storms during winter 2014, Ridership would have been relatively flat
- MARTA is currently challenged on every KPI category
- Call Abandonment Rate saw a big spike during the winter storms and during changes in May regarding four-car trains
- Both Bus and Mobility OTP is challenged by absenteeism
- Rail OTP was less than target due to mechanical issues
- Bus Collisions continue to challenge the Authority

Mr. Parker said MARTA will be taking a fresh look at KPIs. KPIs may not be reflecting all the information they should, particularly in Bus Collisions. There are two types of collisions: preventable and non-preventable. The Authority needs to break that out so that the indicators are not misleading.

**Other Matters**

Mrs. McClendon briefed the Committee on an upcoming promotional campaign.

CBS and MillerCoors approached the Authority about a promotional campaign in which they have offered to purchase 15,000 Breeze tickets. Their intention is to distribute these tickets at MARTA end of line stations during two Falcons games on September 7 and September 8. MARTA will have an opportunity to be involved in the creative process. In addition to the sale of the Breeze tickets, MARTA will receive additional revenue from advertising space that will be purchased which will include wrapping trains.

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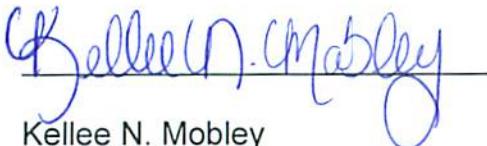
The Committee received the May FY 2014 Key Performance Indicators as Informational only.

**Adjournment**

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The meeting of the Business Management Committee adjourned at 11:10 a.m.

Respectfully submitted,



Kellee N. Mobley  
Sr. Executive Administrator to the Board