

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

November 28, 2011

The Board of Directors Business Management Committee met on November 28, 2011 at 10:33 a.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Robert L. Ashe, III
Harold Buckley, Sr.
Frederick L. Daniels, Jr., *Chair*
Jim Durrett
Roderick E. Edmond
Barbara Babbit Kaufman

MARTA officials in attendance were: General Manager/CEO Beverly A. Scott; Deputy General Manager/COO Dwight A. Ferrell; AGMs Davis Allen, Wanda Dunham, Johnny Dunning, Jr. (Acting), Ben Graham, Georgetta Gregory, Mary Ann Jackson, Jonnie Keith, Barbara Kirkland (Acting), Rich Krisak, Ryland McClendon and Elizabeth O'Neill; Sr. Director David Springstead; Directors Anton Bryant, Sharon Crenchaw, Lisa DeGrace, Garry Free, Charlotte Harris, Donna Jennings, Walter Jones and Knox O'Callaghan; Managers Donna DeJesus, Gregory Snyderman, Roosevelt Stripling, Marvin Toliver and Denise Whitfield. Executive Manager to the Board Rebbie Ellisor-Taylor; Executive Administrator Renee Willis; Finance Administrative Analyst Tracy Kincaid; Office Administrator II Tracie Roberson. Others in attendance Olusina Akingbade, Doug Chambers, Cathy Gesick, Kawal Grover, Rod Hembree, Robin Howard, Josh Piermarini, Srinath Remala, Edward Smith, Zaheer Wadhwanian and James Watkins.

Also in attendance Charles Pursley, Jr. of Pursley of Pursley, Lowery & Meeks; Representative Lynne Riley of MARTOC; Matt Pollack of MATC; Thomas Furmaniak of LTK Engineering; Alice Wiggins; Paul Jones.

Approval of the October 31, 2011 Business Management Committee Meeting Minutes

On motion by Mr. Durrett seconded by Mrs. Kaufman, the minutes were unanimously approved by a vote of 6 to 0, with 6 members present.

Resolution Authorizing the Execution of a Grant from the Federal Transit Administration for the Regional Breeze Card Implementation Project

Mr. O'Callaghan presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or her delegate to execute a Federal Transit Administration (FTA) grant on behalf of MARTA that would provide \$5,920,000 for the Regional Breeze Card Implementation Project. The resolution also authorizes the execution of corresponding sub-grant agreements, which would pass-through a portion of these FTA funds to the Atlanta Regional Commission (ARC) and certain other transit operators within the region.

Dr. Edmond asked if this can be modified to keep the Breeze system in line with technological advances.

Dr. Scott said most of the money is for the original set-up of Breeze. An audit showed that other operators within the region should have been contributing more.

Mr. Daniels asked if the grant covers operating cost for the next five years.

Dr. Scott said it does.

Mr. Daniels asked if MARTA should be looking at the development of the next system.

Dr. Scott agreed, noting that a discussion took place at RTC and it was suggested it be a part of RTC's Work Plan.

Mr. Ashe asked if the system changes within the five-year preventative maintenance period can funds be moved to operating.

Dr. Scott said that is not foreseeable. Until all parties can decide what will be done, the region is not funding anything new.

Business Management Committee

11/28/11

Page 3

Mr. Daniels asked if the State agrees upon a new system will the funds be redirected.

Dr. Scott said the funds would have to be redirected through a Federal program.

On motion by Mr. Durrett seconded by Mr. Buckley, the resolution was unanimously passed by a vote of 6 to 0, with 6 members present.

Resolution Authorizing the Execution of a Federal Transit Administration New Freedom Program Subgrant Agreement with Gwinnett County

Mr. O'Callaghan presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or her delegate to execute, on behalf of MARTA, a Federal Transit Administration (FTA) New Freedom Program Subgrant Agreement with Gwinnett County, which would pass-through \$158,766

in FTA New Freedom funding to the County. Gwinnett County's Department of Senior Services will utilize this funding to implement a Voucher Program to support transportation for persons with disabilities within the County.

On motion by Mr. Durrett seconded by Mrs. Kaufman, the resolution was unanimously passed by a vote of 6 to 0, with 6 members present.

Resolution Authorizing the Execution of a Federal Transit Administration New Freedom Program Subgrant Agreement with Clayton County

Mr. O'Callaghan presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or her delegate to execute, on behalf of MARTA, a Federal Transit Administration (FTA) New Freedom Program Subgrant Agreement with Clayton County, which would pass-through \$50,572.50 in FTA New Freedom funding to the County. Clayton County's Department of Senior Services would utilize this funding to implement a Voucher Program to support non-emergency medical transportation for persons with disabilities within the County.

On motion by Mr. Durrett seconded by Mrs. Kaufman, the resolution was unanimously passed by a vote of 6 to 0, with 6 members present.

Business Management Committee

11/28/11

Page 4

Resolution Authorizing Replacement of MARTA's Excess Operating Property and Liability Insurance Coverage

Mrs. Jennings presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or her delegate to effect placement of MARTA's Excess Operating Property and Liability Insurance Coverage for a period of one-year effective January 1, 2012 to January 1, 2013 based on the proposals received by MARTA's insurance broker of record, MARSH USA, for a total program cost of \$2,877, 775.

Mr. Daniels asked what can be done to lower the premium.

Mrs. Jennings said MARTA markets internationally. This was the best available price.

On motion by Mr. Durrett seconded by Mrs. Kaufman, the resolution was unanimously passed by a vote of 6 to 0, with 6 members present.

Briefing – Financial Highlights

Mr. Allen briefed the Committee on September Fiscal Year-to-Date 2012 Budget Variance Analysis and Financial Key Performance Indicators.

- On a September YTD basis, actual Revenues were favorable by \$2.2M, or 2.5%, primarily due to the combined effects of the following:
 - Passenger Revenue was higher than budget due to ridership being higher than projected – this is consistent, although on a declining rate, with the twelve month trend following the last fare increase and service reductions implemented last year
 - Sales Tax receipts slightly under-performing relative to plan on a September YTD basis as forecasted by the Georgia State Economic Forecasting Center
 - Station Parking slightly higher at 3.2% above forecast
 - Lease income, particularly TOD Ground Leases slightly above forecast (1.5%)
- On an September YTD basis, net operating budget Expenses were favorable by \$1.7M
 - Salaries & Wages were favorable by 9.4%

Business Management Committee

11/28/11

Page 5

- Overtime expenses were 12.4% under budget
- Benefits were unfavorable by 5.4%
- Contractual Services were \$0.2M over budget
- CNG Fuel was 8.3% over budget
- Diesel Fuel was 5.7% over budget
- Other Materials & Supplies were unfavorable by \$0.4M
- Other Non-Labor was on target
- Capital charges were on target
- Sales Tax Subsidy
 - The YTD actual Net Operating Loss (deficit) of \$5.8M requires a sales tax subsidy of 64.9%
 - The annual budgeted Sales Tax Subsidy is 64.5%
- September budget variance was favorable at -0.23% under budget; budget variance YTD remains favorable at -1.67% under budget
- Combined Ridership for the month of September was 12.9M unlinked passenger boardings, exceeding the forecasted total by 9.6%; Combined Ridership of 37.5M unlinked trips YTD exceeded the forecast by 4%
- Cost per Bus Passenger Trip of \$2.95 in September is better than the forecast of \$3.44 by 14.2%; YTD Cost per Bus Passenger Trip was 10.6% better than forecasted
- Rail Cost per Passenger Trip of \$2.16 in September was better than the forecast of \$2.26 by 4.4%; YTD Rail Cost per Passenger Trip was better than the forecast by 0.5%
- Cost per MARTA Mobility Passenger Trip of \$30.13 in September was better than the forecast by 6.3%; YTD Cost per MARTA Mobility Passenger Trip was better than forecast by 5%

Dr. Edmond asked if MARTA employees are aware of the cost savings of Kaiser over Cigna.

Mrs. Kirkland said the Authority implemented a massive communication effort to educate employees on the available health care plans.

Dr. Edmond asked if that information can be communicated to employees again.

Business Management Committee

11/28/11

Page 6

Mrs. Kirkland said this is done every year prior to open enrollment.

Mr. Daniels asked why are employees choosing Cigna if Kaiser costs less.

Dr. Scott said an upcoming employee survey will ask that question. She added that Kaiser is newer to the region and employees may be less familiar with it.

Dr. Edmond said the big issue here is choice. He added that a more aggressive campaign should be implemented.

Briefing – Key Performance Indicator (KPI) Update

Mr. Ferrell briefed the Committee on the September 2011 and September Year-to-Date Fiscal Year 2012 Key Performance Indicators.

- All four Financial KPIs continue to perform better than the September and September YTD Fiscal Year 2012
 - YTD combined Ridership KPI exceeded forecast by 1.4M (3.9%) unlinked passenger trips
- Customer Service KPIs, measuring the aggregate responsiveness of MARTA's Customer Service Centers, continue to better than the YTD targets
- Bus Operations
 - Bus OTP, although below the Target for the Fiscal Year, continues to exhibit an improving trend relative to the same YTD period last year
 - MDBF and MDISI were below both the FY 2012 goal and the same period last year – however, MDBF improved by almost 6% over August's performance level which saw a drop of 100 HVAC-related mechanical failures. At a MDBF level of 2,860 in the month, over 95% of the annual goal was achieved. MDISI fell 5% relative to August's performance primarily due to delays and accidents associated with operations from the Perry garage
 - Bus Complaints per 100K boardings totaled 6.60 in the month of September. Monthly and YTD performance continues to outperform both the FY 2012 goal as well as the same YTD FY 2011 time period

Business Management Committee

11/28/11

Page 7

- Rail Operations
 - Rail OTP, both in September and on a September YTD basis, exceeded the annual goal of 97.5%
 - Rail MDBF exhibited a 30% improvement in monthly performance, from 20,738 in August to 27,213 in September – at this level of performance, the annual goal of 25,000 miles between reportable mechanical failures was exceeded by 8.9%
 - MDBSI and Complaints, both on a monthly and YTD basis, continue to perform better than goal
- Mobility Operations
 - Mobility OTP, MDBF, MDBSI and two KPIs measuring responsiveness of Mobility Reservation Services have missed their monthly and YTD targets mostly due to continuously increasing demand, mechanical defects and software outages.
 - Trip Denial Rate continues to be maintained at zero
 - Mobility Complaint Rate per 1K boardings continues to perform significantly better than goal
- Facilities Operations
 - Escalator Availability, while missing the YTD goal of 98%, has significantly improved at 92.52% relative to the same period last year at 85.26%
 - YTD Elevator Availability remains virtually on goal at 97.68% over the three month reporting period
- Safety & Security
 - Part I Crime Rate of 2.87 in September exhibited a decline of almost 19% from the August 2012 YTD rate of 3.65 due in part to aggressive assignment of police personnel on trains, buses and in stations
 - Bus Collisions, per 100K miles in September declined to 2.13, the lowest monthly rate achieved over the last twelve month reporting period
 - Mobility Collisions per 100K in September was better than goal for the third consecutive month in FY 2012

Business Management Committee

11/28/11

Page 8

- Employee Accident Rate per 100 employees, while missing both the monthly and three month YTD goal, has improved over last September and September YTD performance. During this three month reporting period, total incidents declined from 232 in FY11 to 206 in FY12

Mr. Durrett said an escalator in Peachtree Center Station has been closed for some time. He asked what is the plan for returning it to service.

Mr. Krisak said it is part of the Escalator Rehab Program. The previous contractor did not do well so Schindler had to start over completely.

Mr. Durrett asked when will it be repaired.

Mr. Ferrell said staff will get back to the Board with a specific date.

Mr. Daniels asked how long will it take for all of the escalators to be rehabbed.

Mr. Ferrell said 10-30 years.

Other Matters

Mr. Daniels referenced Agenda item #5 - Other Matters - asking Board Members to review the following:

- a) Ridership Update (September FY12)

Adjournment

The meeting of the Business Management Committee adjourned at 11:22 am

Respectfully submitted,

Kellee N. Mobley
Sr. Executive Administrator to the Board