

MINUTES
MEETING OF THE BOARD OF DIRECTORS
BUSINESS MANAGEMENT COMMITTEE
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
June 25, 2012

The Board of Directors Operations Committee met on June 25, 2012 at 1:22 p.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Juanita Jones Abernathy
Robert L. Ashe, III
Harold Buckley, Sr.
Frederick L. Daniels, Jr.
Roderick E. Edmond, *Chair*
Barbara Babbit Kaufman
Jannine Miller*

MARTA officials in attendance were: General Manager/CEO Beverly A. Scott; Deputy General Manager/COO Dwight A. Ferrell; Chief Business Support Services Theodore Basta, Jr.; AGMs Davis Allen, Wanda Dunham, Rod Hembree (Acting), Robin Howard, Ming Hsi (Acting), Mary Ann Jackson, Cheryl King, Barbara Kirkland (Acting), Rich Krisak, Ryland McClendon, Elizabeth O'Neill and Gary Pritchett; Sr. Directors Donald Williams (Acting); Directors Anton Bryant, Reginald Diamond, Garry Free, Connie Krisak, Knox O'Callaghan and Carol Smith; Managers Cara Hodgson, Gregory Snyderman, Marvin Toliver and Denise Whitfield; Executive Manager/Assistant Secretary to the Board Rebbie Ellisor-Taylor; Executive Administrator Renee Willis; Office Administrator II Tracie Roberson; Others in attendance Ed Bishop, Ricky Chambers and Srinath Remala,

Also in attendance Charles Pursley, Jr. and Christian Torgrimson of Pursley, Lowery & Meeks, LLP; Pam Alexander of LTK; Anna Howell and Karim Marshall of SMART Insights Group, LLC; Jim Richie of URS.

Approval of the May 29, 2012 Business Management Committee Meeting Minutes

On motion by Mrs. Kaufman seconded by Mr. Daniels, the minutes were unanimously approved by a vote of 6 to 0, with 7* members present.

*Jannine Miller is Executive Director of Georgia Regional Transportation Authority (GRTA) and is therefore a non-voting member of the MARTA Board of Directors.

Resolution Authorizing the Execution of Grants From the Federal Transit Administration

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 total of four (4) Federal Fiscal Year 2012 grants from the Federal Transit Administration (FTA), in the total estimated amount of \$96,767,000 (federal share).

This resolution also authorizes the General Manager/CEO or her delegate to provide FTA with the standard Federal grant program certifications and assurances on behalf of MARTA required as a condition for receiving these funds.

Mr. Daniels asked if specific utilization of FTA Section 5307 funds been identified.

Mr. Allen said the 5307 funds are typically used for preventative maintenance on the operating side.

On motion by Mr. Buckley seconded by Mrs. Butler, the resolution was unanimously approved by a vote of 6 to 0, with 7* members present.

Briefing – April Fiscal Year-to-Date 2012 Budget Variance Analysis and Financial KPIs

Mr. Allen briefed the Committee on the April Fiscal Year-to-Date (YTD) 2012 Budget Variance Analysis and Financial KPIs.

April 2012 Overview

- Total Net Revenues were \$2.82M, or 8.8%, more than budget (favorable)
- Total Net Expenses were \$2.13M, or 6.3%, less than budget (favorable)

YTD Operating Revenues

- Actual Revenues were favorable by \$1.7M, or 0.5%

YTD Budget vs. Actual Expense Performance

- On a April YTD basis, Net Operating Budget Expenses were under budget (favorable) by \$11.7M, or 3.4%
 - Salaries & Wages were favorable by \$7.3M or 4.2% – this positive variance was primarily due to net vacancies in a variety of positions throughout the agency
 - Overtime Expenses were \$3.7M or 20.8% over budget (unfavorable) due primarily to the coverage of represented employee vacancies in Rail and Bus Maintenance positions, Facilities, Rail Services and sworn Police Officers
 - Benefits were favorable by \$0.4M or 0.4% despite a continuing YTD overrun in represented employee healthcare costs – this overrun is currently under review

Sales Tax Subsidy

- YTD actual Net Operating Loss (deficit) of \$5.5M requires a Sales Tax Subsidy of 59.9%, which is favorable to the budget
- The Annual Budgeted Sales Tax Subsidy is 64.5%

April Budget Variance

- The budget variance for the month was favorable at -6.31% under budget, mostly due to favorable variances in labor (vacancies) and contractual services costs
- The budget variance for FY 2012 (the months of July through April) remains favorable at -3.44% under budget, also mostly due to favorable variances in labor (vacancies), fuel and contractual services costs

Combined Ridership

- Combined Ridership for the month of April was 10.8M unlinked passenger boardings, which exceeded the forecasted total of 9.6M by 1.2M trips, or 12.5%
- Combined Ridership of 113.1M unlinked trips for FY 2012 (the months of July through April) exceeded the forecast of 103.5M unlinked trips by 9.6M, or 9.3%

Bus Cost per Passenger Trip

- Cost per Bus Passenger Trip of \$3.44 in April was better than the forecast of \$4.16 by \$0.72, or 17.3%
 - This favorable variance was due to bus ridership exceeding the forecast of unlinked trips by 672K, or 15.7%, as well as net underruns in budgeted expenses.
- Cost per Bus Passenger Trip of \$3.37 for the FY 2012 (the months of July through April) was better than the forecast of \$3.89 by \$0.52, or 13.4%
 - Mostly due to Bus Ridership exceeding the forecast of unlinked trips by 5.4M, or 11.8%, as well as net under runs in budgeted expenses

Rail Cost per Passenger Trip

- Cost per Rail Passenger Trip of \$2.36 in April was better than the forecast of \$2.71 by \$0.35, or 12.9%
 - This favorable variance was mostly due to Rail Ridership exceeding the forecast of unlinked trips by 547K, or 10.4%, as well as net underruns in budgeted expenses
- Cost per Rail Passenger Trip of \$2.31 for FY 2012 (the months of July through April) was better than the forecast of \$2.55 by \$0.24, or 9.4%
 - Mostly due to Rail Ridership exceeding the forecast of unlinked trips by 4.0M, or 7.1%, as well as net underruns in budgeted expenses

MARTA Mobility Cost per Passenger Trip

- The Cost per MARTA Mobility Passenger Trip of \$29.80 in April was better than the forecasted \$38.88 by \$9.08, or 23.4%
 - This favorable variance was mostly due to Mobility Ridership exceeding the forecast of unlinked trips by 9.5K, or 24.7%, as well as net underruns in budgeted expenses
- The Cost per MARTA Mobility Passenger Trip of \$30.11 for FY 2012 (the months of July through April) was better than the forecast of \$36.35 by \$6.24, or 17.2%

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- Mostly due to Mobility Ridership exceeding the forecast of unlinked trips by 69.3K, or 16.7%, as well as net underruns in budgeted expenses

Briefing – FY 2008 - April FY 2012 Key Performance Indicators (KPIs)

Mr. Basta provided the Committee a comparative summary of MARTA's non-financial, strategic Key Performance Indicators (KPIs) on a FY 2008 versus April year-to-date (YTD) basis.

Customer Service KPIs

- These 2 KPIs, measuring responsiveness of MARTA's Customer Service Centers, have improved by 43.8% and 56.1%, respectively

Bus Operations KPIs

- Bus OTP and MDBF have shown steady progress throughout the period, improving by 12.7% and 59.5%, respectively
- Bus Complaints per 100K boardings improved by 51.5%
- Bus MDBSI declined by 4.8%

Rail Operations KPIs

- All Rail KPIs showed improvement during the period
- Rail OTP improved by 3.26%, Rail MDBF improved by 169.1%, Rail MDBSI improved by 207.1%
- Rail Complaints per 100K boardings improved by 59%

Mobility Operations KPIs

- Mobility OTP and MDBF improved by 2.4% and 19.6%, respectively
- Mobility MDBSI has decreased by 25.8%
- Two KPIs, measuring responsiveness of Mobility Reservation Services (Call Waiting & Abandonment Rate) has shown decline in performance due to continuous increase in demand for service and, consequently, the rise in call volume
- Trip Denial Rate has been maintained at zero
- Mobility Complaints have declined by 39%

Facilities Operations KPIs

- Escalator Availability has declined by 4.1%
- Elevator Availability has improved by 0.3%

Safety & Security KPIs

- Of the four (4) Safety & Security KPIs, only the Bus Collision Rate has not improved during the comparative period
- The Part I Crime Rate, Mobility Collision Rate and Employee Accident Rate have improved by 3.9%, 4.4% and 7%, respectively

Mr. Daniels thanked staff for providing the comparative summary of KPIs, as requested by the Board.

Other Matters

Dr. Edmond referenced Agenda Item #5 – April FY 2012 Ridership - asking Board Members review the informational items.

Dr. Edmond asked staff to prepare a list of upcoming contracts that MARTA intends to put out for bid. This list should include options for procurement as well as approximate timelines and financial considerations.

Mr. Daniels said some contracts are presented to the Board in the form of briefings prior to approval being requested. Staff and Board Members have to be sure that the appropriate process is followed. He agreed that a look ahead list would be helpful.

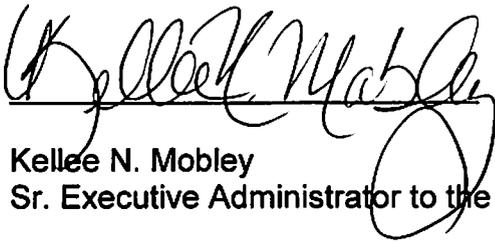
Dr. Edmond said it would be specifically beneficial for Board Members that do not sit on every Committee.

Dr. Scott said staff would begin preparing a contracts look ahead list for the Board.

Adjournment

The meeting of the Operations Committee adjourned at 1:51 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kellee N. Mobley". The signature is written in a cursive style and is positioned above a horizontal line. Below the line, the name and title are printed in a standard font.

Kellee N. Mobley
Sr. Executive Administrator to the Board