

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

**November 20, 2014**

The Board of Directors Business Management Committee met on November 20, 2014 at 11:00 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**

Harold Buckley, Sr.  
Jim Durrett, *Chair*  
Roderick E. Edmond  
Freda B. Hardage  
Barbara Babbit Kaufman

MARTA officials in attendance were: 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 Wanda Dunham, Ming Hsi, Reginald Mason, Ryland McClendon and Louise Williams-Jackson (Acting); Executive Director Ferdinand Risco; Senior Directors Cynthia Beasley, LaShanda Dawkins, Joseph Erves, Amanda Rhein and Donald Williams; Directors Donna Jennings and Carol Smith; Manager Robert H. Thomas; Executive Manager to the Board Rebbie Ellisor-Taylor; Senior Executive Administrator Brenda L. Williams; Finance Administrative Analyst Tracy Kincaid. Others in attendance Davis Allen, Frederick Askew, Ann Boyd, Nicholas Gowens, Courtney Middlebrooks, LaTonya Pope and Tuan Vo.

Also in attendance Pam Alexander of LTK Engineering; Jim Schmid of HNTB.

**Consent Agenda**

---

- a) Approval of the October 30, 2014 Business Management Committee Meeting Minutes
- b) Resolution to Support MARTA Funding Requests to the Atlanta Regional Commission

- c) Resolution to Convey Parcel C4160A a Utility Easement in Favor of the City of Atlanta
- d) Resolution Authorizing the Approval for Additional Funds for MARTA's Life Insurance and Accidental Death and Dismemberment Insurance Coverages for Represented and Non-Represented Employees and their Dependents, RFP P15115

On motion by Mrs. Kaufman seconded by Mr. Buckley, the Consent Agenda was unanimously approved by a vote of 4 to 0, with 4 members present.

### **Individual Agenda**

#### **Resolution to Authorizing Excess Operating Property and Casualty Insurance Renewal**

Mrs. Jennings presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to effect placement of MARTA's excess operating property and liability insurance coverage for a period of one year effective January 1, 2015 to January 1, 2016 based on the proposals received by MARTA's insurance broker of record, MARSH, for a total program cost not to exceed \$3,048,361.

On motion by Mrs. Kaufman seconded by Mr. Buckley, the resolution was unanimously approved by a vote of 5 to 0, with 5 members present.

#### **Resolution to Authorize Funding Allocation of MARTA Contactless Smart Card Fare Media, CP B25444**

Mrs. Beasley presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to reallocate funding for MARTA Contactless Smart Card Fare Media received by MARTA, payment of production costs in an amount not to exceed \$705,550.00, and a contract extension for a period of nine (9) months with additional funds not to exceed \$1,563,300.00.

Dr. Edmond asked what is the reason for the reallocation.

Mrs. Beasley said the funds should have gone to two vendors, not one; the reallocation is needed to rectify that.

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

### **Briefing – Fare Evasion Reduction Update**

---

Mrs. Boyd and Mr. Thomas provided an update on the actions taken to reduce Fare Evasion.

#### *Fare Evasion Recap*

- Fare Evasion Studies conducted
- Measure of potential revenue – \$3.5M
- Several forms of fare evasion identified
- Task Force implemented action plan

#### *Actions*

- Task Force implemented solutions identified as major opportunities to halt fare evasion
- In-depth audit of Employee/Contractors Breeze cards
- Closing bus doors projected FY15 impact – \$2.25M
  - 80% approval rating from drivers and customers
  - Continue to monitor successes and complaints throughout winter months

#### *Reduced Fare Evasion Plan*

- Task Force sub-committee will explore:
  - Revisions needed in policies and procedures
  - Creating a more identifiable card
  - Increase in confiscated Reduced Fare cards

#### *Next Steps*

- Continue collaboration with Cubic to Provide fare card readers inside faregates
  - Implement electronic emergency transfers
  - Fare evasion studies commenced in September

- Identify and curtail new methods of fare evasion
  - Validate already executed solutions and measure effectiveness
  - Provide updated potential fiscal impact for FY15

Mr. Buckley said before MARTA changed to its current faregate system approximately \$10M was lost annually due to fare evasion. He asked how much is MARTA losing now.

Mr. Thomas said approximately \$3.5M – a lot less than it once was.

**Briefing – FY2015 September Budget Variance Analysis and Performance Indicators**

Mr. Hutchinson briefed the Committee on the September 2014 Financial Highlights and KPIs.

- September was a very good financial month – \$4M surplus and \$2.5M better than budget
- Revenues were stronger while expenses primarily came in better than budget
- The Authority is a bit behind on Sales Tax – GSU's economic forecast model initially did not account for reasonable Ad Valorem Tax but it has since been revised
- Passenger Revenue was better than budget
- On the Expense side, MARTA is continuing to experience high levels of overtime
- Year-to-Date (YTD) performance is \$9.6M better than budget with a \$9.5M profit – this puts MARTA in a good position to finish the fiscal year with a surplus
- MARTA will experience some additional expenses related to running more miles; otherwise, there are no unusual fluctuations
- YTD expenses continue to show the effect of vacancies in the areas of Police, Bus and Mobility; it is expected that recent hires will soon level out overtime
- Combined Ridership is much stronger; however, recent low gas prices may have an impact this in the coming months

**Business Management Committee**

**11/20/14**

**Page 5**

- Bus MDBF has shown strong improvement coming in better than target and prior year
- Rail MDBF has also shown significant improvement
- Mobility OTP is well below target primarily due to employee absenteeism – MARTA is struggling to manage this service
- Part 1 Crime Rate has performed extremely well

**Other Matters**

---

The Committee received the September FY 2015 Key Performance indicators as informational only.

**Adjournment**

---

The meeting of the Business Management Committee adjourned at 11:31 a.m.

Respectfully submitted,



**Kellee N. McDaniel**  
Sr. Executive Administrator to the Board