

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

March 27, 2014

The Board of Directors Business Management Committee met on March 27, 2014 at 11:18 a.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
Harold Buckley, Sr.
Frederick L. Daniels, Jr, *Chair*
Jim Durrett
Roderick E. Edmond
Kirk Fjelstul*
Freda B. Hardage

MARTA officials in attendance were: General Manager/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 Hutchinson; Chief Counsel Elizabeth O'Neill; AGMs LaShanda Dawkins (Interim), Wanda Dunham, Rod Hembree (Acting), Ming Hsi, Ryland McClendon and Terry Thompson; Executive Director Ferdinand Risco; Senior Directors Bernard Guida, Kevin Hurley and Amanda Rhein; Manager Beverly Williams; Executive Manager to the Board Rebbie Ellisor-Taylor; Manager, Executive Office Administration Tyrene L. Huff; Finance Administrative Analyst Tracy Kincaid. Others in attendance Davis Allen, Jamel DaCosta, Shyam Dunna, Abebe Girmay, Anthony Pines, Srinath Remala, Tuan Vo and Dansby Wade.

Consent Agenda

1. Approval of the February 27, 2014 Business Management Committee Meeting Minutes
2. Resolution Authorizing Additional Expenditure of Capital and Operating Funds For General Consulting and Professional Services for the Department of Technology (April-June) 2014 RFP P31481

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

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On motion by Mr. Durrett seconded by Mr. Buckley the Consent Agenda was unanimously approved by a vote of 6 to 0, with 7* members present.

Individual Agenda

Resolution Authorizing the Award of Contracts for Authority-Wide Computer PC Equipment Replacement and Deployment Services Utilizing General Services Administration (GSA) Schedules and State of Georgia/Western States Contracting Alliance (WSCA) Participating Agreements, P33141

Ms. Hsi presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into contracts with vendors currently holding valid GSA Schedules, State of Georgia Contracts and WSCA Participating Agreements for Authority-Wide Computer PC Equipment Replacement and Deployment Services.

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

Resolution to Authorize the Purchase of MARTA Parcel B080, 3271 Hamilton Boulevard, SW for the Hamilton Clean Fuels Bus Facility Expansion Project

Ms. Rhein presented this resolution for Board of Directors' approval authorizing the purchase of MARTA Parcel B080, 3271 Hamilton Boulevard, SW for the Hamilton Clean Fuels Bus Facility Expansion Project.

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

Resolution Authorizing Award of a Letter of Agreement for Bond Counsel Services for Specific Financial Transactions

Mr. Hutchinson presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into a professional services agreement with Holland & Knight, LLP for Bond Counsel Services.

On motion by Mr. Durrett seconded by Dr. Edmond the resolution was unanimously approved by a vote of 6 to 0, with 7* members present.

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

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

- During the month, total net revenues were \$4.7M or 15.2% greater than budget (favorable) primarily due to:
 - 1) a favorable variance of \$2.6M or 401.4% in Other Revenue due to the unbudgeted receipt of \$2.6M in Alternative Tax Rebate
 - 2) a favorable variance of \$1.4M in Title Ad Valorem Tax and
 - 3) a favorable variance of \$1.3M or 10.5% in Sales Tax this month due to over-performing relative to plan as forecasted by the Georgia State Economic Forecasting Center
- Also during the month total net expenses were \$2.7M or 6.3%, less than budget (favorable)
 - 1) a favorable variance of \$4.8M or 34.8% in Benefits attributed to the budgeted Represented incentive pay that did not occur
 - 2) a favorable variance of \$3.8M or 16.7% in Salaries also due to the budgeted Represented incentive pay that did not occur
 - 3) an unfavorable variance of \$3.4M or 118.9% in Other Non-Labor
- On a year-to-date-basis, actual Revenues were favorable by \$12.2M or 6.2%
- On a year-to-date basis, net operating budget expenses were under budget (favorable) by \$19.3M or 8.8%
- On a year-over-year (FY13 YTD vs. FY14 YTD) basis, actual Revenues were favorable by \$7.5M or 3.7% – this favorable variance was primarily attributable to Title Ad Valorem Tax, which was favorable by \$9.9M.
- On a year-over-year basis (FY13 YTD vs. FY14 YTD), net operating expenses were lower by \$6.0M or 3.1%
- The Year-to-Date actual Net Operating Surplus of \$10.6M requires a sales tax subsidy of 43.7% which is favorable to the budget
 - The Annual Budgeted Sales Tax Subsidy is 58.2%

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Other Matters

Mr. Hutchinson provided the following information on MARTA's 35% Rule and Farebox Recovery Ratios.

- Under the MARTA Act, total transit related revenues, including any federal operating subsidy and other non-transportation related revenues received during each fiscal year must be at least 35% of the operating costs from the preceding year
- $(\text{Fare Revenue}/\text{Operating Expense}) * 100\%$
- MARTA is in good shape and does not anticipate the statutory requirement having to kick in

Mr. Hutchinson provided the following information on FY14 Grant Preventive Maintenance Funding.

FY14 – Preventative Maintenance Grant Types

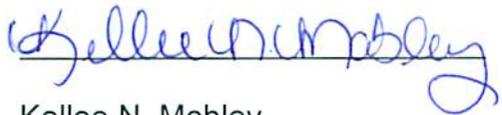
- Urbanized Area Grants – Formula Driven
 - Comprised of Sections 5307 and 5340 funding
 - Funds allocated to Urbanized areas based on the 2010 Census and NTD operating statistics then sub allocated to the state and government authorities
- FTA State of Good Repair Grants – Formula Driven
 - Comprised of Section 5337 Funds (Formerly Section 5309)
 - Funds are allocated per the Section 5307 allocation method
- Surface Transportation Grants – Direct Application
 - Grants are typically awarded to the region for surface transportation projects
 - MARTA has obtained expiring funds and/or annual apportionments to the region and - Flexed from FHWA to FTA
 - A portion is used for Preventative Maintenance

The Committee received the January FY 2014 Key Performance Indicators as informational only.

Adjournment

The meeting of the Business Management Committee adjourned at 11:54 a.m.

Respectfully submitted,



Kellee N. Mobley
Sr. Executive Administrator to the Board