

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

June 26, 2014

The Board of Directors Business Management Committee met on June 26, 2014 at 10:30 a.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Harold Buckley, Sr.
Frederick L. Daniels, Jr., *Chair*
Jim Durrett
Freda 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 Kevin Hurley (Acting); Chief Counsel Elizabeth O'Neill; AGMs LaShanda Dawkins (Interim), Joseph Dorsey (Acting), Rod Hembree (Acting), Ming Hsi, Cheryl King and Ryland McClendon; Executive Director Ferdinand Risco; Senior Directors Joseph Erves, Tesa Gonzales (Acting), Bernard Guida and Amanda Rhein; Directors Johnathan Hunt, Pat Minnucci and Remy Saintil; Managers Jeffrey Masisak and James Siebert; Executive Manager to the Board Rebbie Ellisor-Taylor; Finance Administrative Analyst Tracy Kincaid. Other in attendance Benjamin Allen, Davis Allen, Carlos Arrieta, Devonte Ferrell, Nathaniel Lane, Srinath Remala, Jessica St. Julien, William Taylor and Tuan Vo.

Also in attendance Pam Alexander of LTK Engineering; Faye Lyons-Gary and Helen McSwain of MATC; James Schimd of HNTB.

Consent Agenda

1. Approval of the May 29, 2014 Business Management Committee Meeting Minutes
2. Resolution Authorizing Revisions to the MARTA Drug and Alcohol Policy

On motion by Mr. Durrett seconded by Mr. Buckley, the Consent Agenda was unanimously approved by a vote of 5 to 0, with 5 members present.

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Individual Agenda

Briefing – Resolution Authorizing the Procurement of Fuel for Non-Revenue and Revenue Vehicles

Mr. Taylor briefed the Committee on the Resolution Authorizing the Procurement of Fuel for Non-Revenue and Revenue Vehicles.

- The MARTA Board of Directors approved the Resolution Authorizing Award of Contracts for the Procurement of Compressed Natural Gas, Diesel and Unleaded Fuel on June 5, 2006
- This standard contract supports MARTA's Bus and Non-Revenue fleet Vehicles and leverages the following benefits with remarketers for each bidding cycle:
 - Re-establishes the benchmark profit margin enabling certified remarketer competitiveness
 - Demonstrates fuel costs are at the lowest possible cost to MARTA

Remarketer Groups

- Two (2) groups of pre-qualifying remarketers are invited to participate in the on-going competitive bidding process:
 - Group 1 - Diesel and Unleaded Fuel, with 10 remarketers
 - Group 2 - Compressed Natural Gas (CNG), with 11 remarketers

MARTA Board Requirements

- The Board is to receive quarterly Business Management Committee briefings on solicitations to identify Authority accepted bids, and cost comparisons between the expired and new contract(s)

MARTA's Revenue Bus Fleet

- The Revenue bus fleet currently consists of 532 buses
 - 70% is Compressed Natural Gas (CNG) powered
 - 30% is Diesel powered
- 398 buses are built by New Flyer Industries
 - 72.6% (289) CNG powered

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- 27.4% (109) Diesel powered
- 134 buses are built by Daimler Buses (Orion)
 - 63.4% (85) CNG powered
 - 36.6% (49) Diesel powered

MARTA Mobility Fleet

- 188 L-Vans
 - 188 (total) Diesel Powered

Non-Revenue Fleet

- 430 Non-Revenue vehicles
 - 6 Hybrids
 - 350 Unleaded
 - 6 CNG
 - 68 Diesel

Contract Cost Comparison

- Previous Contract
 - Unleaded/Diesel - \$11,007,356
 - CNG - \$5,440,856
- Current Contract
 - Unleaded/Diesel - \$11,918,750
 - CNG - \$5,126,891

Fuel Usage Comparison

- Unleaded – 423,000
- Diesel – 2,214,000
- CNG (Diesel gallon equivalent) – 6,930,000

Fuel Procurement Process

- Bus Maintenance is the Authority's largest user of Diesel and CNG fuels

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- Initiates Procurement for Authority wide fuel
- Develops initial cost estimates (ICE) and technical specifications
- Develops usage estimates based on mileage requirements provided by MARTA Planning
- Coordinates with C&P for overall procurement
- Uses RSM contracting service to assist with bid assessments

Fuel Integrity Program

- Independent of the diesel fuel contract, Bus Maintenance manages and maintains the Authority's Diesel and Unleaded fueling dispensers and monitoring equipment
- Calibrates and verifies fuel and fluid dispensers
- Maintains the integrity of fuel through a treatment program based on gallons consumed
- Coordinates Fuel Contractor delivery of winter blends for cold periods to prevent fuel freezing and crystallization

Briefing – April FY 2014 Financial Performance

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

- Operations Performance
 - Net Revenues – \$35.1M
 - Net Expenses – \$36.2M
 - Net Profit – Loss of \$1.1M
 - Prior Year Variance – -8.1%
- Preliminary numbers for the month of May show revenue will exceed expenses
- Passenger Revenue is down by \$1.4M
- Combined Ridership is on target - overall this has not reserved the negative trend that began earlier this year
- YTD Sales Tax receipts are positive by \$15.9M

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- Rail OPT is good despite its MDBF being below target
- Bus Collision Rate is higher than target yet lower than the prior year

Mr. Krisak said in the future the Bus Collision Rate will be separated into Preventable and Non-Preventable Collisions.

Executive Session

On motion by Mr. Durrett seconded by Mrs. Hardage, the Board entered Executive Session at 11:04 a.m. by a vote of 5 to 0, with 5 members present.

On motion by Mr. Durrett seconded by Mr. Buckley, the Executive Session was adjourned at 11:25 a.m., by a vote of 4 to 0, with 4 members present.

Resolution – Authorization to Enter into Contract Negotiations with Invest Atlanta for the Development of Property at the Edgewood/Candler Park Station South Parking Lot, Parcel D1107

Ms. Rhein presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into contract negotiations with Invest Atlanta, Columbia Ventures and Columbia Residential for the development of MARTA property at the Edgewood/Candler Park Station.

On motion by Mr. Durrett seconded by Mr. Buckley, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Other Matters

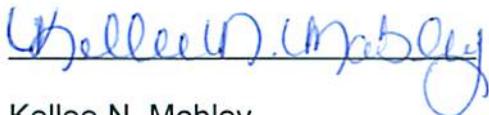
The Committee received the April FY 2014 Key Performance Indicators as Informational only.

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Adjournment

The meeting of the Business Management Committee adjourned at 11:26 a.m.

Respectfully submitted,



Kellee N. Mobley
Sr. Executive Administrator to the Board