

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

July 28, 2011

The Board of Directors Business Management Committee met on July 28, 2011 at 11:30 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
Noni Ellison-Southall

MARTA officials in attendance were: Deputy General Manager/COO Dwight A. Ferrell; Chief Business Support Services Theodore Basta Jr.; AGMs Davis Allen, Tara Balakrishnan (Acting), Anton Bryant (Acting), John Crocker (Acting), Deborah Dawson, Wanda Dunham, Joseph Erves (Acting), Georgetta Gregory, Jonnie Keith, Ryland McClendon, Elizabeth O'Neill and Gary Pritchett; Sr. Directors Johnny Dunning, Jr. and Kevin Hurley; Directors Cynthia Moss Beasley, Sharon Crenchaw, Lowell "Rip" Detamore, Reginald Diamond, Walter Jones and Carol Smith; Managers Gregory Snyderman, Roosevelt Stripling, Robert H. Thomas and Marvin Toliver. Executive Manager to the Board Rebbie Ellisor-Taylor; Executive Administrator Renee Willis; Finance Administrative Analyst Tracy Kincaid. Others in attendance Alphonse Eugene.

Also in attendance Charles Pursley, Jr. of Pursley of Pursley, Lowery & Meeks; Cain Williamson of Atlanta Regional Commission; Matt Pollack of MATC; Jim Brown of URS Corp.

Approval of the June 27, 2011 Business Management Committee Meeting Minutes

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

Briefing – Financial Highlights/KPIs (May YTD)

Mr. Allen briefed the Committee on May Year-to-Date (YTD) Fiscal Year 2011 Financial Performance and Key Performance Indicators (KPIs).

- Actual Revenues in the month of May were favorable by \$0.8M, or 2.9%. The overall net favorable result in Revenue was primarily due to the following:
 - Sales Tax receipts under-performing relative to plan in May
 - Higher than planned Passenger Revenues that were conservatively projected for FY11 due to a high degree of uncertainty over the elasticity impacts related to fare increases and a reduction in service
- On a May YTD basis, actual Revenues were favorable by \$13M, or 4.3%.
- Actual Expenses were over budget by \$2.4M, or 7.3% in the month of May. This negative variance was primarily due to the following:
 - Salaries & Wage were favorable by \$2.1M
 - Overtime Expenses were 55.4% over budget mainly due to the covering of some of the operating vacancies
 - Benefits were unfavorable by 5.1% due to the Retirees' Reserve Expense (GASBE) Account being underfunded by over \$880K in conjunction with a recently completed OPEB actuarial review
 - Contractual services were \$2.1M over budget
 - CNG was favorable by 27.2% due to the actual dekatherm coming in less than the budgeted price
 - Diesel was unfavorable by \$0.2M due to the actual fuel costs per gallon pricing rate being higher than planned in the month
 - Other Materials & Supplies Expenses were 11.2% unfavorable due to timing related differences in expensing invoices
 - Other Non-Labor was unfavorable by \$0.8M due to more than anticipated payouts associated with Several Casualty and Liability cases that were closed out in the month
- On an May YTD basis, net operating budget expenses are favorable by \$3M

Business Management Committee

7/28/11

Page 3

- Sales Tax Subsidy
 - YTD actual Net Operating Loss (deficit) of \$45.3M requires a sales tax subsidy of 65.4%
 - The Budgeted Sales Tax Subsidy is 71.9%
- KPIs
 - Budget variance for the month of May was unfavorable at 7.33% over budget
 - Combined Ridership for the month of May was 11.8M unlinked passenger boardings, which exceeded the monthly forecasted total of 10M by 18.2%
 - Bus Cost per Passenger Trip of \$3.32 was better than the forecast of \$3.79 by 12.4%
 - Rail Cost per Passenger Trip of \$2.37 in May was better than the forecast of \$2.69 by 11.9%
 - MARTA Mobility Cost per Passenger Trip of \$32.12 in May was better than the planned rate of \$42.78 by 24.9%

Mr. Daniels asked has MARTA received any information from the State of Georgia about the actuarial review.

Mr. Allen responded that the Authority has not been given additional information.

Mr. Ashe asked if the State is bound to the Open Records Act.

Mr. Allen said no. Yet, even with the hit MARTA still made the budget for May.

Mr. Daniels asked what the timeframe for filling vacancies is.

Mr. Basta answered that Mobility vacancies will be filled within the next 30 days. Operators are currently in training. Concentration will then be placed on filling supervisory roles and then administrative positions throughout the remainder of the year. Positions for Operations will be filled by the end of the first quarter.

Briefing – Customer Service KPIs

Mr. Daniels referenced Agenda Item #3 – Customer Service KPIs – asking Board Members to review the items and direct any questions to Mr. Ferrell or Mr. Allen. Presentation of the item was deferred due to time constraints.

Briefing – Other KPIs

Mr. Daniels referenced Agenda Item #4 – Other KPIs – asking Board Members to review the items and direct any questions to Mr. Ferrell or Mr. Allen.

Presentation of the item was deferred due to time constraints.

Other Matters

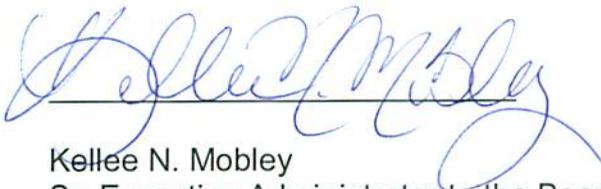
Mr. Allen referenced Agenda Item #5 – Other Matters – asking Board Members to review the following informational items:

- a) List of Future Resolutions & Presentations
- b) Ridership Update (May YTD)

Adjournment

The meeting of the Business Management Committee adjourned at 11:52 a.m.

Respectfully submitted,


Kellee N. Mobley
Sr. Executive Administrator to the Board