

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

November 29, 2010

The Board of Directors Business Management Committee met on November 29, 2010 at 11:28 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
Clara H. Axam
Harold Buckley, Sr.
Frederick L. Daniels, Jr.
Jim Durrett
Barbara Babbit Kaufman
Walter L. Kimbrough
Gloria Leonard
Jannine Miller
Michael W. Tyler
Michael Walls

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, Johnny Dunning, Jr. (Acting), Ben Graham, Mary Ann Jackson, Jonnie Keith, Barbara Kirkland (Acting), Ryland McClendon, Elizabeth O'Neill and Gary Pritchett; Directors Tara Balakrishnan, Rich Boullain (Acting), John Crocker, Lisa DeGrace, Lowell "Rip" Detamore, Reginald Diamond, Lyle Harris, Kevin Hurley (Acting), Donna Jennings, Walter Jones and Knox O'Callaghan; Managers Phyllis Lee, Cynthia McCall, Roosevelt Stripling, Robert H. Thomas and Marvin Toliver; Finance Administrative Analyst Tracy Kincaid; Office Administrator II Tracie Roberson; Others in attendance Cathy Gesick, Ken Johnson, Luis Matta, Anthony Pines, Srinath Remala and Beverly Williams.

Also in attendance Charles Pursley, Jr. of Pursley, Lowery and Meeks; Matt Pollack of MATC; Jim Brown of URS; Richard Marsh; Lori Geary of WSB-TV.

Approval of the October 25, 2010 Business Management Committee Meeting Minutes

On motion by Ms. Leonard seconded by Mr. Daniels, the minutes were unanimously approved by a vote of 11 to 0, with 11 members present.

Resolution Authorizing the Remediation of Replacement Trigger Events for Lease Transactions 2001-5 and 2001-7 With Fifth Third Leasing Company

Mr. Marsh presented this resolution for Board of Directors' approval, authorizing the General Manager/CEO or her delegate to enter into agreements necessary to remediate two structured lease transactions that have triggered replacement requirements with The Fifth Third Leasing Company (Fifth Third).

On motion by Dr. Kimbrough seconded by Mr. Tyler the resolution was approved by a vote of 10 to 0, with 11 members present.

Ms. Miller abstained.

Resolution Authorizing the Filing and Execution of FY 2011 Federal Transit Administration Grants

Mr. O'Callaghan presented this resolution for Board of Directors' approval, authorizing the General Manager/CEO or her delegate to file applications and execute grant agreements with the Federal Transit Administration (FTA) for several grants to be awarded to MARTA during Fiscal Year 2011. The identified grants would include those allocated under the FTA Section 5309 State of Good Repair (SGR) and Flexible L230/Section 5307 Formula programs. The resolution also authorizes the General Manager/CEO or her designee to provide FTA with the standard Federal Certifications and Assurances required as a condition of accepting these funds.

On motion by Ms. Leonard seconded by Mrs. Kaufman, the resolution was unanimously approved by a vote of 11 to 0, with 11 members present.

Resolution Authorizing the Solicitation of Proposals for Financial Advisory Services, Request for Proposals Number P21680

Mr. Hurley presented this resolution for Board of Directors' approval, authorizing the General Manager/CEO or her delegate to solicit for Financial Advisory Services. The Financial Advisor assists MARTA staff in evaluating capital funding alternatives, developing and implementing strategies to meet its short and long-range capital and operating financial needs. The Financial advisor will also serve as an intermediary between MARTA and bond underwriters, rating agencies, investment bankers, lawyers, auditors and trustees who will be assembled to successfully complete financial transactions at the possible terms for MARTA.

This contract will replace Request for Proposals Number P5091, that expired March 14, 2010 and the current Letter of Agreement L20521 for Financial Advisory Services – Limited Scope – which expires May 31, 2011.

On motion by Mr. Durrett seconded by Mrs. Kaufman, the resolution was unanimously approved by a vote of 11 to 0, with 11 members present.

Resolution Authorizing the Solicitation of Proposals for Insurance Brokerage Services, Request for Proposals Number P21523

Mrs. Jennings presented this resolution seeking authorization for the Board of Directors to solicit proposals for Insurance Brokerage Services. An insurance broker is an essential member of MARTA's Risk Management Team. The "Broker of Record" acts as the Authority's representative in the property and casualty insurance markets. Staff intends to seek proposals for a two (2) year base contract with three (3) one-year options.

On motion by Dr. Kimbrough seconded by Mr. Walls, the resolution was unanimously approved by a vote of 11 to 0, with 11 members present.

Resolution Authorizing Replacement of MARTA's Excess Operating Property and Liability Insurance Coverage

Mrs. Jennings presented this resolution for Board of Directors' approval, authorizing the General Manager/CEO or her designee to effect placement of MARTA's excess operating property and casualty insurance coverage for a one-year period effective January 1, 2011 to January 1, 2012.

On motion by Mr. Walls seconded by Ms. Leonard, the resolution was unanimously approved by a vote of 11 to 0, with members present.

Resolution Authorizing Award of a Contract for the Procurement of Software for the Oracle Enterprise Applications Security Management GSA Schedule GS-35F-0009T, Contract Proposal Number B21623

Mrs. Balakrishnan presented this resolution for Board of Directors' approval, authorizing the award of GSA schedule GS-35F-0009T contract to Oracle for an Identity Management System, the preferred solution for implementing an automated and centralized technology based Security Management System.

On motion by Mr. Tyler seconded by Mr. Buckley, the resolution was unanimously approved by a vote of 11 to 0, with 11 members present.

Resolution Authorizing the Solicitation of Proposals for MARTA's Employee Assistance Program (EAP), Request for Proposals Number P21522

Mrs. Kirkland presented this resolution for Board of Directors' approval, authorizing the General Manager/CEO or her delegate to solicit proposals for the procurement of MARTA's Employee Assistance Program (EAP). The EAP provides confidential counseling and training services which promote the mental, social and physical well-being of all MARTA employees and their family members.

On motion by Dr. Kimbrough seconded by Mr. Tyler, the resolution was unanimously approved by a vote of 11 to 0, with 11 members present.

Resolution to Revise MARTA's Drug and Alcohol Policy to Include New Regulatory Changes

Mrs. Kirkland presented this resolution for Board of Directors' approval, authorizing the revisions to MARTA's Drug and Alcohol Policy to include new federally mandated changes in drug testing procedures.

On motion by Mr. Tyler seconded by Mrs. Kaufman, the resolution was unanimously approved by a vote of 11 to 0, with 11 members present.

DEO Report - Resolution Authorizing Award of a Contract for the Procurement of Software for the Oracle Enterprise Applications Security Management GSA Schedule GS-35F-0009T, Contract Proposal Number B21623

Mr. Diamond presented a DEO Report on the Resolution Authorizing Award of a Contract for the Procurement of Software for the Oracle Enterprise Applications Security Management GSA Schedule GS-35F-0009T, Contract Proposal Number B21623.

Briefing – FY 2010 Monthly Financial Review

Mr. Basta briefed the Committee on the September FY 2010 Monthly Financial Review.

- Although September 2010 was quite a bit warmer than September 2009, it was also much drier; staff estimates that the heavy rain and subsequent flooding in late September 2009 depressed MARTA ridership by about 2.4% for the entire month
- Staff had projected a 10.7% decline in ridership from September 2009 to September 2010, due to the fare increase and service level reduction that occurred around October 1, 2009 – thus, although ridership only increased 0.8% from a year ago, it was 12.9% above the projection
- As in previous years, the FY 2011 ridership and passenger revenue projections were purposely made in a conservative manner – yet, subsequent to the fare increase, 7-day pass usage (per pass sold) has risen dramatically
- Actual Revenues in the month of September were favorable by \$1.6M due to the combined effects of (1) a favorable variance in Sales Tax receipts of \$1.1M, (2) a favorable variance in Passenger Revenues of \$0.7M and (3) a partially offsetting unfavorable variance in Lease Income of \$0.3M
- On a September YTD basis, actual revenues were favorable by \$3.9M
- Actual Expenses were under budget by \$3.9M in the month of September
 - Salaries & Wages, which constitutes over 75% of the annual operating budget, were favorable by \$1.8M
 - Overtime was unfavorable by \$1.1M in the month due to the holding of vacancies in various represented titles

Business Management Committee

11/29/10

Page 6

- Other Non Labor was favorable by \$1.5M
- CNG Fuel was favorable by \$1.1M due to a one-time reversal credit associated with over accruals from prior months
- On a September YTD basis, net operating budget expenses are under budget (favorable) by \$13.4M

Other Matters

Mrs. Abernathy referenced Tab 12 of the Committee books – List of Future Resolutions & Presentations – asking that Board Members review these items.

Adjournment

The meeting of the Business Management Committee adjourned at 12:38 p.m.

Respectfully submitted,

Kellee N. Mobley
Sr. Executive Administrator to the Board