

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

September 29, 2016

The Board of Directors Business Management Committee met on September 29, 2016 at 11:32 a.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Roberta Abdul-Salaam
Robert F. Dallas
Frederick L. Daniels, Jr., *Chair*
Roderick E. Edmond
Jerry Griffin
Freda B. Hardage

MARTA officials in attendance were: General Manager/CEO Keith T. Parker, AICP; Chief Operating Officer Rich A. Krisak; Chief of Staff Rukiya S. Thomas; Chief Financial Officer Gordon L. Hutchinson; Chief Counsel Elizabeth O'Neill; AGMs Elayne Berry, Robin Wanda Dunham, Robin Henry, Ming Hsi, Benjamin Limmer and Ryland McClendon; Executive Director Ferdinand Risco; Sr. Directors Cynthia Moss Beasley, Joseph Erves and Amanda Rhein; Directors Lisa DeGrace, Johnathan Hunt and William Taylor; Executive Manager to the Board Rebbie Ellisor-Taylor; Manager, Executive Office Administration Tyrene L. Huff; Finance Administrative Analyst Tracy Kincaid. Others in attendance Rhonda Allen, Frederick Askew, Abebe Girmay and Robert N. Thomas.

Also in attendance was Jack Buckingham of MATC.

Consent Agenda

- A) Approval of the August 25, 2016 Business Management Committee Meeting Minutes
- B) Resolution Authorizing the Solicitation of Proposals for Desktop Equipment and Information Technology Help Desk Services, RFP P38567
- C) Resolution to Request Approval to Sell MARTA Parcel D3194, a 12,830 square feet parcel behind 4761 Peachtree Road NE between the Brookhaven/Oglethorpe University Rail Station and the Chamblee Rail Station in Chamblee, GA

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- D) Resolution Authorizing the Extension of MARTA's Beverage Vending Contract, Request for Proposals Number P19410 and MARTA Concessions Snack Vending Contract, Request for Proposals Number P25327
- E) Resolution to Approve the Disposition of Remaining Slope Easement Rights in MARTA Parcel D1182, a Permanent Slope Easement located at 215 Arizona

On motion by Dr. Edmond seconded by Mr. Dallas, the Committee unanimously agreed to move Item D to the Individual Agenda.

On motion by Dr. Edmond seconded by Mr. Dallas, Items A, B, C, and E were unanimously approved by a vote of 6 to 0, with 6 members present.

Individual Agenda

Resolution Authorizing the Solicitation of Proposals for Joint Development of Parcels D3140 and D3202 Lindbergh Center

Mrs. Rhein presented this resolution for Board of Directors' approval authorizing the solicitation of proposals for joint development of Parcels D3140 and D3202 at Lindbergh Center Station by means other than competitive bidding, in accordance with Section 14(m) of the MARTA Act, through the use of Request for Proposals.

On motion by Mr. Dallas seconded by Mrs. Hardage, the resolution was unanimously approved by a vote of 6 to 0, with 6 members present.

Resolution Authorizing the Extension of MARTA's Beverage Vending Contract, Request for Proposals Number P19410 and MARTA Concessions Snack Vending Contract, Request for Proposals Number P25327

Mrs. Rhein presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to execute an amendment of the Beverage and Snack Vending Contracts Numbers P19410 and P25327, respectively, with Gilly Vending, Inc. The amendment will extend the term for each Contract through March 30, 2017 in order to (a) avoid a lapse in revenue receipts and (b) allow sufficient time to conduct a public solicitation process.

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

Resolution Authorizing the Award of a Sole Source Contract with Cummins-Allison Corporation for Money Room Processing Equipment, RFP P38344

Mrs. Beasley presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into a Sole Source Contract with Cummins-Allison Corporation for Money Room Processing Equipment in the amount of \$263,554.00.

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

Resolution Authorizing the Award of Contracts to Multiple Firms for Cellular and Data Telecommunications Services, P38056

Mrs. Hsi presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into a contract with T-Mobile USA, Inc. in the amount of \$2,594,070.00 for Cellular Telecommunication Services and AT&T in the amount of \$2,968,215.00 for Data Telecommunication Services.

Mrs. Abdul-Salaam asked about minority participation.

Mr. Risco said this is a subscription services contract and the Office of Diversity & Inclusion did not assign a DBE goal. However, both recommended vendors have supplier diversity programs in which business is conducted with minorities, women-owned and veteran-owned businesses. AT&T's annual supplier diversity goal is 21.5% with a current attainment of 28%; and T-Mobile's annual supplier diversity goal is 5.47% with a current attainment of 5%. Additionally, both firms have provided Good Faith Efforts to identify DBEs to participate on the contract.

On motion by Mr. Griffin seconded by Mrs. Hardage, the resolution was approved by a vote of 4 to 0, with 5 members present.

Mrs. Abdul-Salaam abstained.

Resolution Authorizing Award of a Contract for Professional Services for a Consultant for 4DX Implementation, LOA L38628

Mrs. Thomas presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into a contract with Franklin Covey for a

professional services consultant for support of the 4 Disciplines of Execution (4DX) implementation.

Overview

- FY17 Organizational Goals – demonstrate routine excellence as the standard throughout core business operation
- An important step in meeting this goal is to significantly reduce absenteeism and overtime
- MARTA has already addressed a few aspects of the issue of absenteeism by outsourcing leave management
- Another challenge is the behavioral change of getting people to want to come to work and to do their best when they get there
- The 4 Disciplines of Execution is a powerful tool that can be used to drive this type of behavior change throughout the Authority
- In addition to achieving the goal of reduction in absenteeism, the 4DX methodology can also be used to drive future behavior-based strategies as well as to increase employee engagement and satisfaction

Methodology

- The 4DX program is a methodology to:
 - Achieve consistent execution of critical goals
 - Increase morale significantly while increasing accountability
 - Develop the next generation of senior leaders

The Process

- Highest quality implementation of the 4DX process in the shortest possible time
- Maximum engagement by managers and their teams in the 4DX process with minimum disruption to business operations
- Sustainable results through full adoption of new habits

Implementing the 4DX Operating System

- Design – Highest quality of implementation
 - Determine high-level “Wildly Important Goals” (WIGs) – translating strategy into the fewest number of executable targets

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- Ensure no level of leaders are skipped and leaders all have WIGs and Leads
- Leaders need to be able to see what the WIGs could look like for the front line leader
- Build – Maximum engagement and ownership
 - Managers need to come to agreement with leaders on Manager's WIG
 - WIG/Lead Measures and scoreboards are finalized with the teams
 - Managers are enabled to launch 4DX with teams
 - Weekly WIG Sessions begin
- Run – Sustainable Results
 - Senior leaders are modeling the process
 - Senior leaders focus on process consistency of sub teams
 - Senior leaders support sub-teams (with the help of internal coaches) to ensure they are playing a winnable game

4DX Results

- Marriott has run the 4DX process at over 700 properties since 2008, resulting in significant increases in both guest satisfaction and employee engagement; best ratings in over 10 years
- Comcast's WIG: Reduce impact minutes (server down) from 29,000 to 12,000; achieved 3000 minutes
- Payless Shoe Stores' WIG: Increase Conversion rate 1.5x; achieved 3x more customers completing a purchase
- Union Pacific Railroad's WIG: Improve Safety Incidence from 8 to 1; achieved less than 1
- Cox Communications Cable achieved 20% increase in NPS score
- Carnival Cruise Line achieved a 20 point increase in Customer Satisfaction rating
- Covenant Transportation achieved a 24% decrease in driver turnover

Mr. Daniels asked how will the program's efficacy be measured.

Mrs. Thomas said the consultant will help define that. The primary goal of implementation is to combat absenteeism.

Mr. Daniels asked what is the timeframe for full implementation.

Mrs. Thomas said 1-2 years.

Mrs. Abdul-Salaam asked will all leave be considered, or will the program only focus on people not showing up for work.

Mrs. Thomas said this program will address excessive leaves.

Mr. Parker said the first step MARTA took in addressing this problem was to establish consequences. Secondly, MARTA engaged UPMC Work Partners to administer leave management. The Authority is now on to the most difficult task – trying to uncover reasons for absenteeism.

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

Briefing – FY2016 Year-End Close Budget Variance Analysis and Performance Indicators

Mr. Hutchinson provided the Committee highlights of the FY2016 Year-End Close Budget Variance Analysis and Performance Indicators.

- MARTA has ended the year with a surplus for the fourth consecutive year
- Healthcare cost have been positive
- Overtime continues to run high
- Sales Tax required to fund Operations is 38.6%, which is good; surplus will be flexed to Capital
- Year-to-Date (YTD), Revenues have exceeded Expenditures in all but two months: March and June, primarily due to year-end adjustments
- Sales and Ad Valorem Tax is consistently higher than the prior year
- Cumulative Operating Expenses is up due to wage and salary increases
- Gross Labor is by far the largest cost

- Combined Ridership's declining trend that began in the latter part of FY16 has continued into FY17
- Bus On-Time Performance (OTP) is slightly better
- Rail OTP is consistently better than target
- Mobility OTP has made some improvements
- Crime Rate is close to target
- Collisions is above target

Mr. Daniels asked if the surplus is sustainable.

Mr. Hutchinson said MARTA is expecting a revenue squeeze, as a result the Authority will not see the vastness of the surplus.

Mr. Daniels commented on the year-end adjustment, resulting in a deficit for the month of June. He asked if MARTA can balance better throughout the year.

Mr. Hutchinson said the Controllers is working with Actuaries to better formulate estimates.

Mr. Daniels said MARTA has to focus on moving OTP in a positive direction.

Mr. Krisak said the slippage in OTP can be attributed to the introduction of Clayton County service, as a brand service operators are still getting accustomed to routes.

Mr. Limmer said Planning is taking a deeper look into OTP as it relates to the routes. There are a number of factors to consider.

Mr. Krisak said it will come down to where MARTA should target investments and alternatives.

Other Matters

The FY2016 Year-End Key Performance Indicators were provided the Committee as informational only.

Adjournment

The meeting of the Business Management Committee adjourned at 12:36 p.m.