

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

April 25, 2019

The Board of Directors Business Management Committee met on April 25, 2019 at 10:40 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 L. Ashe, III, Chair
Roderick E. Edmond
William 'Bill' Floyd
Ryan Glover
Jerry Griffin

MARTA officials in attendance were: C-Suite Team Members Chief of System Safety, Security & Emergency Management Wanda Dunham, Chief Financial Officer Gordon L. Hutchinson, Chief Counsel Johnathan Hunt and Chief of Rail David Springstead; AGMs LaShanda Dawkins, James Siebert (Interim) and Tom Young (Interim); Chief Information Security Officer Dean Mallis; Executive Director Paula Nash (Interim); Senior Director George Wright; Directors Sherrie Johnson, Linda Lee, David Petrisky and William Taylor; Manager Stephany Fisher; Manager Executive Office Administration Tyrene Huff; Sr. Executive Administrator Keri Lee. Others in attendance Adrien Carter, Abebe Girmay, Addi Matthew, Kristopher Mattson, Courtne Middlebrooks, LaTonya Pope and Akio Turner.

Also in attendance Claudia Billotto of WSP; Debra James of CDM Smith; Rob Ross of Kimley-Horn; Jim Schmidt of HNTB; Sidney Sparks of Stan King and David Wickert of The AJC.

Approval of the March 28, 2019 Business Management Committee Meeting Minutes

On motion by Dr. Edmond seconded by Mr. Glover, the minutes were unanimously approved by a vote of 6 to 0, with 6 members present.

Briefing – FY2019 February Financials and Key Performance Indicators

Mr. Hutchinson presented overview of February financials and KPI's.

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Year-to-Date Operating Revenues and Expenses (February 28, 2019)

- Surplus of revenues over expenditures year-to-date of \$23.2M.
- \$18.5M greater than budget
- Net revenues are \$7.8M greater than budget
- Expenditures are \$10.7M less than budget

The Authority expect revenue performance to continue which will cause higher level of expenditures in the remaining months of the year. This is due to a poor market performance in the last quarter of the calendar year.

Revenues – Two (2) Key Numbers (February 28, 2019)

- Tax receipts and title ad valorem tax
- Positive variance of \$9.6M – result of strong regional economic activity (strong vehicular sales and strong registration of vehicles in Georgia).
- Federal assistance – plan to spend down the ARC Grant which will bring the Authority in balance on federal assistance.

Expenses – Key Numbers

- Salaries, wages, benefits and overtime
- The Authority is positive \$14.7M on a combined basis

Current Month Operations Performance (February 28, 2019)

- Positive surplus
- Expenses are slightly over budget with a small deficit in March 2019

Current Month Revenues

- Remain strong

Current Month Expenses

- Slightly negative; most likely will continue for the remainder of the year

Sales Tax Required to Fund Operation Expenses (February 28, 2019)

- 41% represents the amount MARTA is utilizing to fund operation of the Authority.

Sales Tax Required to Fund Operation Expenses (FY2015-FY2019)

- Requested by the Board to include sales tax graphically over the previous years

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- Operating sales tax receipts increased due to incoming half penny from the City.
- Dollar amount increased

Mr. Ashe said going back to MARTA's history, the Authority labored under 50/50. As of today, the Authority would readily comply with 50/50 and has recently elevated to 40% of sales tax operation expenses.

Mr. Hutchinson said that is an excellent point. There was a time when the Authority was in a deficient position, decreasing reserves to operate the agency.

Selected Performance KPI's

- Revenues exceeded expenditures in seven (7) over eight (8) months
- Gross Labor Expenses exceeded budget for the first month in 2019
- Cumulative Gross Labor Expenses are higher than last year, still under budget
- Combined ridership – improvement from Super Bowl in February 2019; shows running below projection
- Rail ridership – doing well
- Bus ridership – weakness continue decreasing on-time bus performance
- Mobility ridership – higher than projected and prior year
- Bus-On-Time Performance (OTP) – service is above standard at 78.5% during morning to 2pm service; afternoon peak (OTP) has decreased to 75%, evening OTP is not improving. There are discrepancies with early departures

Mr. Young said the Authority has a dedicated team that is looking to find a median regarding early departures. Overall, the service is not running late but there are discrepancies related to addressing concerns from last year.

Ms. Abdul-Salaam said early bus departures was mentioned several times during the presentation. Patrons have reached out expressing their concern about buses departing early causing them to miss connections. She asked if the buses are departing early to keep patrons on schedule.

Mr. Young said the Operations Department is currently working on a campaign to identify locations where early departure of buses are taken place. The Authority wants to establish safe locations for bus operators to delay until the correct time of departure.

Mr. Ashe asked does the comprehensive analysis with the City of Atlanta have a relationship with increasing or decreasing bus ridership.

Mr. Young said the comprehensive analysis had an effect by increasing new bus service by 0.2%.

Other Matters

- a. FY2019 February Performance Indicators (Informational only)

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Adjournment

The meeting of the Operations Committee adjourned at 10:58 a.m.