



BOARD OF DIRECTORS

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

BUSINESS MANAGEMENT COMMITTEE

THURSDAY, OCTOBER 27, 2022

ATLANTA, GEORGIA

MEETING MINUTES

1. CALL TO ORDER AND ROLL CALL

Chair Frierson called the meeting to order at 10:56 A.M.

Board Members

Present:

Al Pond
Freda Hardage
Jim Durrett
Roberta Abdul-Salaam
Roderick Frierson
Rita Scott
Reginald Snyder

Board Members

Absent:

Kathryn Powers
Robert Ashe III
Russell McMurry¹
Stacy Blakley
Thomas Worthy
William Floyd
Heather Aquino¹
Roderick Mullice

Staff Members Present:

Collie Greenwood
Luz Borrero
Rhonda Allen
Raj Srinath
Peter Andrews
Josh Rowan

¹Russell McMurry is Commissioner of the Georgia Department of Transportation (GDOT) and Heather Aquino is the Interim Executive Director of the Georgia Regional Transportation Authority (GRTA). Per the MARTA Act, both are non-voting members of the Board of Directors.

Michael Kreher
George Wright

Also in Attendance:

Justice Leah Ward Sears, Paula Nash, Jacqueline Holland, Jonathan Hunt, Stephany Fisher; Kevin Hurley, Greg Patterson, Carrie Rocha, Chris Jackson, Lashanda Dawkins, Tyrene Huff, Nicci Golden, Kenya Hammond, Phyllis Bryant

2. APPROVAL OF THE MINUTES

Minutes from September 29, 2022

Approval of the minutes from September 29, 2022. On a motion by Board Member Snyder, seconded by Board Member Durrett, the motion passed by a vote of 7 to 0 with 7 members present.

3. RESOLUTIONS

Resolution Authorizing a One-Time Cost of Living Adjustment (COLA) for the Retirees of the MARTA Non-Represented Pension Plan

Approval of the Resolution Authorizing a One-Time Cost of Living Adjustment (COLA) for the Retirees of the MARTA Non-Represented Pension Plan. On a motion by Board Member Durrett, seconded by Board Member Snyder, the resolution passed by a vote of 7 to 0 with 7 members present.

4. BRIEFING

FY2023 September Financial Highlights and Financial Performance Indicators

5. ADJOURNMENT

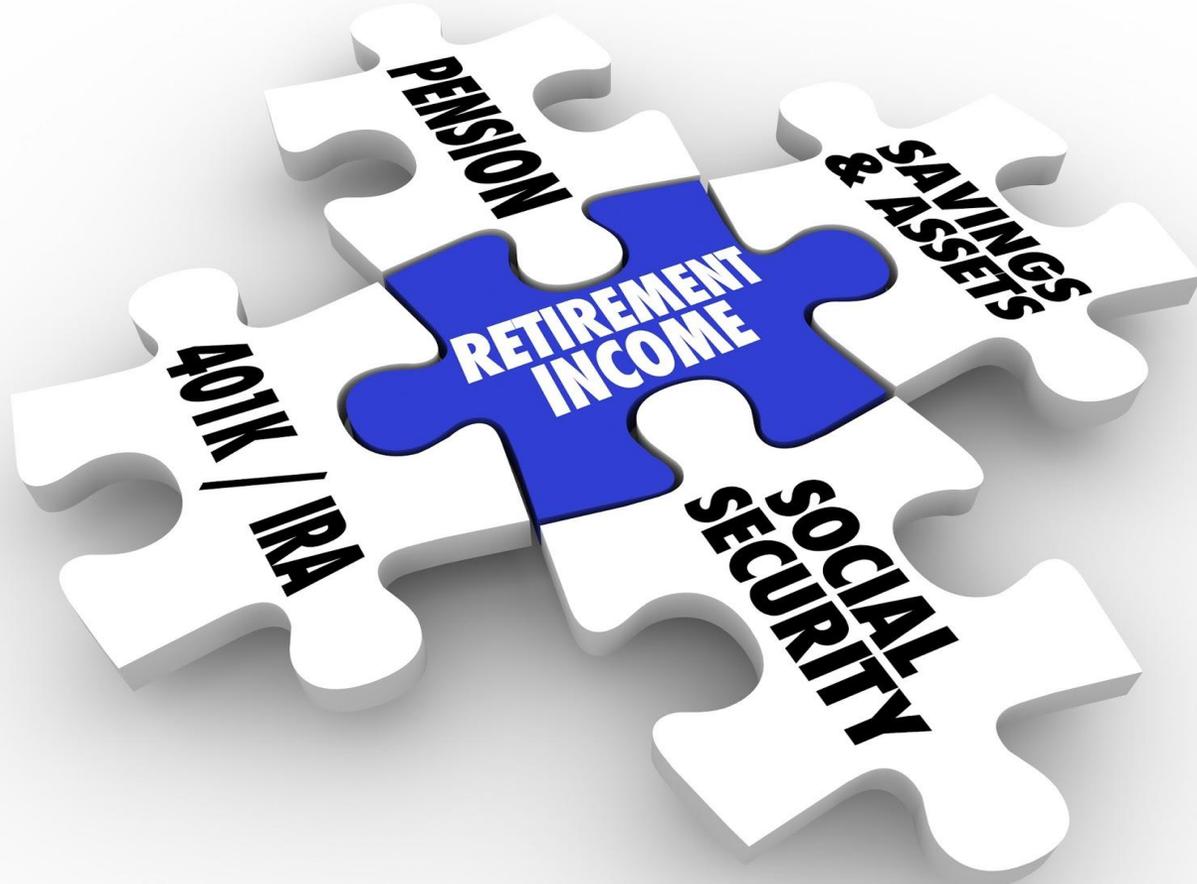
The Committee meeting adjourned at 11:16 A.M

Respectfully submitted,



Tyrene L. Huff
Assistant Secretary to the Board

YouTube link: <https://youtu.be/-8StfDonowU>



Resolution Authorizing a Cost of Living Adjustment (COLA) for the Retirees of the MARTA Non-Represented Pension Plan

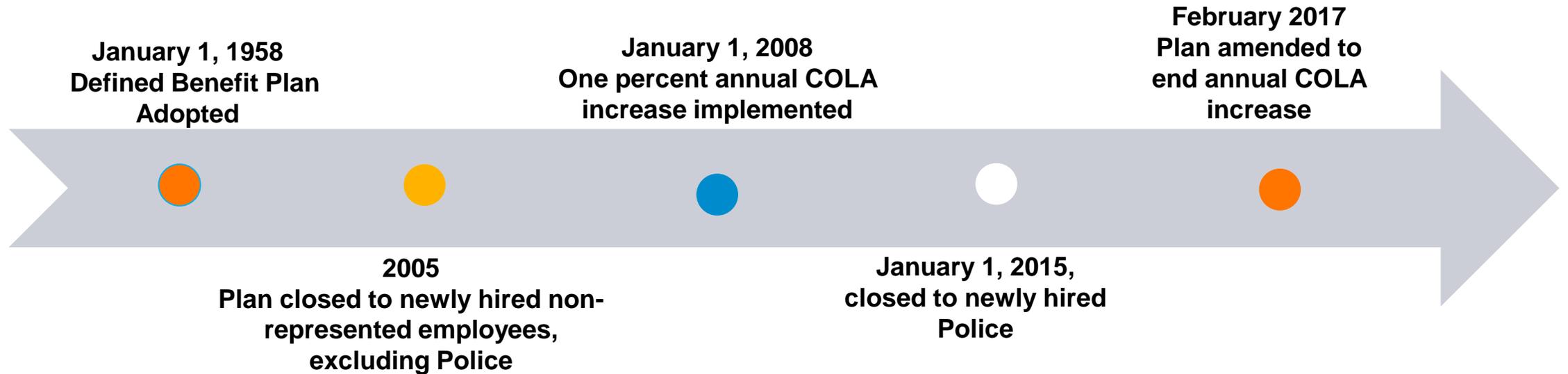
LaShanda R. Dawkins, Assistant General Manager

Management Pension Committee

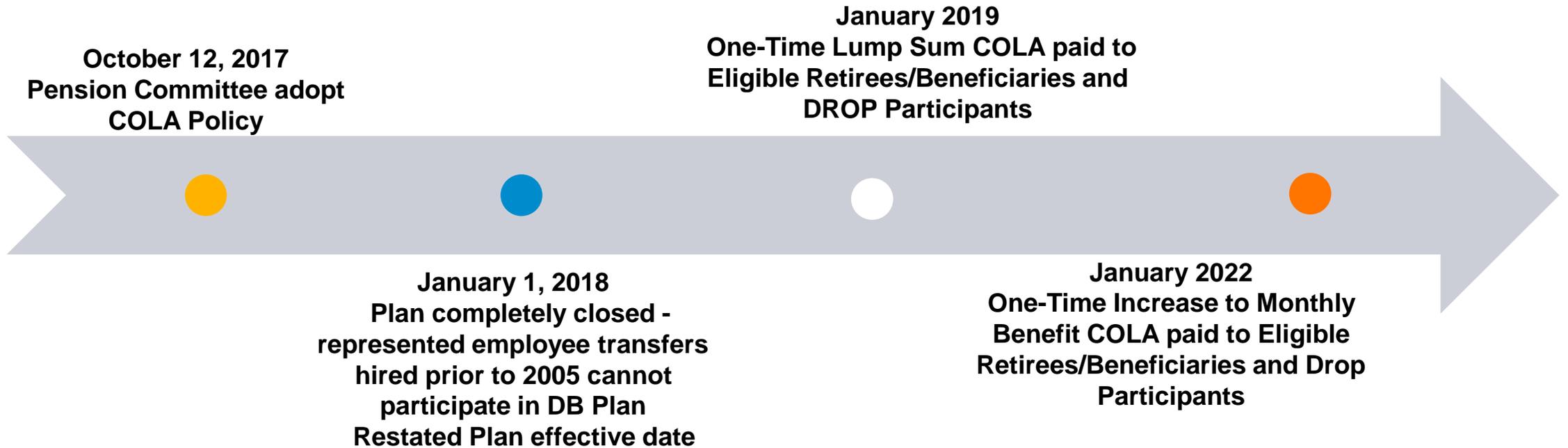
- One-time lump sum payment of \$750
- Benefit payable to eligible retirees and beneficiaries
- Lump sum represents 3% of the average annual benefit for retirees



Background



Background



Key Factors Considered

- Rate of Return for the Plan Year ended December 31, 2021
- Funding Position of the Pension Plan before and after COLA
- Consumer Price Index (CPI) data for the preceding twelve-month period
- Plan Actuary Guidance



COLA Recommendation

- One-time lump sum payment of \$750
- Benefit payable to eligible retirees and beneficiaries
- One-time cost to the Plan of \$1,056,750





Thank You





Financial Highlights First Quarter Ended September 2022

First Quarter Operations Performance September 30, 2022

(\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
Net Revenues	170.9	159.8	11.1	6.9%
Net Expenses	133.2	151.4	18.2	12.0%
Net Surplus	37.7	8.4	29.3	

COMMENTS

- YTD Net Revenues were favorable to budget by \$11.1M
- YTD Net Expenses were favorable to budget by \$18.2M
- YTD Net Surplus was \$37.7M compared to a \$8.4M budget surplus for the year

First Quarter Operating Revenues and Expenses

September 30, 2022

(\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
REVENUES				
Sales Tax	81.8	79.2	2.6	3.3%
Title Ad Valorem Tax	8.4	7.3	1.1	15.1%
Federal Assistance	18.8	18.4	0.4	2.2%
COVID Stimulus Funds	35.1	35.1	0.0	0.0%
Passenger Revenue	18.3	14.6	3.7	25.3%
Lease Income	2.4	2.2	0.2	9.1%
Station Parking	0.4	0.4	0.0	0.0%
Other Revenues	5.7	2.6	3.1	119.2%
Net Operating Revenues	170.9	159.8	11.1	6.9%
EXPENSES				
Salaries and Wages	62.3	74.8	12.5	16.7%
Overtime	9.0	8.4	(0.6)	-7.1%
Total Benefits	30.9	38.2	7.3	19.1%
Contractual Services	16.9	25.2	8.3	32.9%
Total Materials and Supplies	13.1	14.2	1.1	7.7%
Other Non-Labor	12.2	10.5	(1.7)	-16.2%
Gross Operating Expenses	144.4	171.3	26.9	15.7%
Less: Capital Charges	11.2	19.9	(8.7)	-43.7%
Net Operating Expenses	133.2	151.4	18.2	12.0%

REVENUE COMMENTS – YTD revenues were \$11.1M above budget

- Sales Tax performance was \$2.6M above budget as a result of a strong local economy and the associated impact of inflation
- Passenger Revenues were above budget by \$3.7M. Rail ridership is growing, slowly but steadily. Bus ridership remains slightly below forecast.
- Other Revenues were above budget by \$3.0M primarily due to alternative fuel rebate revenue

EXPENSE COMMENTS – YTD expenses were \$18.2M below budget

- Salaries and Wages were below budget by \$12.5M primarily due to 662 vacant positions
- Overtime is slightly higher than budget by (0.6) and is directly related to vacancies
- Total Benefits were \$7.3M below budget which is also directly related to the large number of vacancies
- Contractual Services were \$8.3M below budget largely due to the COVID-19 driven reduction in ridership for contracted paratransit services
- Other Non-Labor Expenses were \$1.7M above budget largely due to an increase in casualty and liability reserves

Operations Performance September 30, 2022

(\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
Net Revenues	56.1	53.7	2.4	4.5%
Net Expenses	49.3	59.6	10.3	17.3%
Net Surplus / (Deficit)	6.8	(5.9)	12.7	

COMMENTS

- Revenues were favorable to budget by \$2.4M for the month of September
- Expenses were favorable to budget by \$10.3M for the month of September
- Net Surplus for September was \$6.8M compared to a \$5.9M budget deficit

Operating Revenues and Expenses

September 30, 2022

(\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
REVENUES				
Sales Tax	26.9	27.1	(0.2)	-0.7%
Title Ad Valorem Tax	2.8	2.4	0.4	16.7%
Federal Assistance	6.2	6.1	0.1	1.6%
COVID-Stimulus Funds	11.7	11.7	0.0	0.0%
Passenger Revenue	6.5	5.0	1.5	30.0%
Lease Income	0.8	0.3	0.5	166.7%
Station Parking	0.2	0.2	0.0	0.0%
Other Revenues	1.0	0.9	0.1	11.1%
Net Operating Revenues	56.1	53.7	2.4	4.5%
EXPENSES				
Salaries and Wages	22.3	32.2	9.9	30.7%
Overtime	3.1	2.7	(0.4)	-14.8%
Total Benefits	11.9	16.2	4.3	26.5%
Contractual Services	5.1	8.4	3.3	39.3%
Total Materials and Supplies	4.4	4.8	0.4	8.3%
Other Non-Labor	7.0	3.5	(3.5)	-100.0%
Gross Operating Expenses	53.8	67.8	14.0	20.6%
Less: Capital Charges	4.5	8.2	(3.7)	-45.1%
Net Operating Expenses	49.3	59.6	10.3	17.3%

REVENUE COMMENTS – Monthly revenues were \$2.4M above budget

- Sales Tax performance was \$0.2M below budget and is driven by a slowdown of the local economy
- Passenger Revenues were \$1.5M above budget. Although ridership is performing better than budget, ridership continues to be impacted by COVID-19

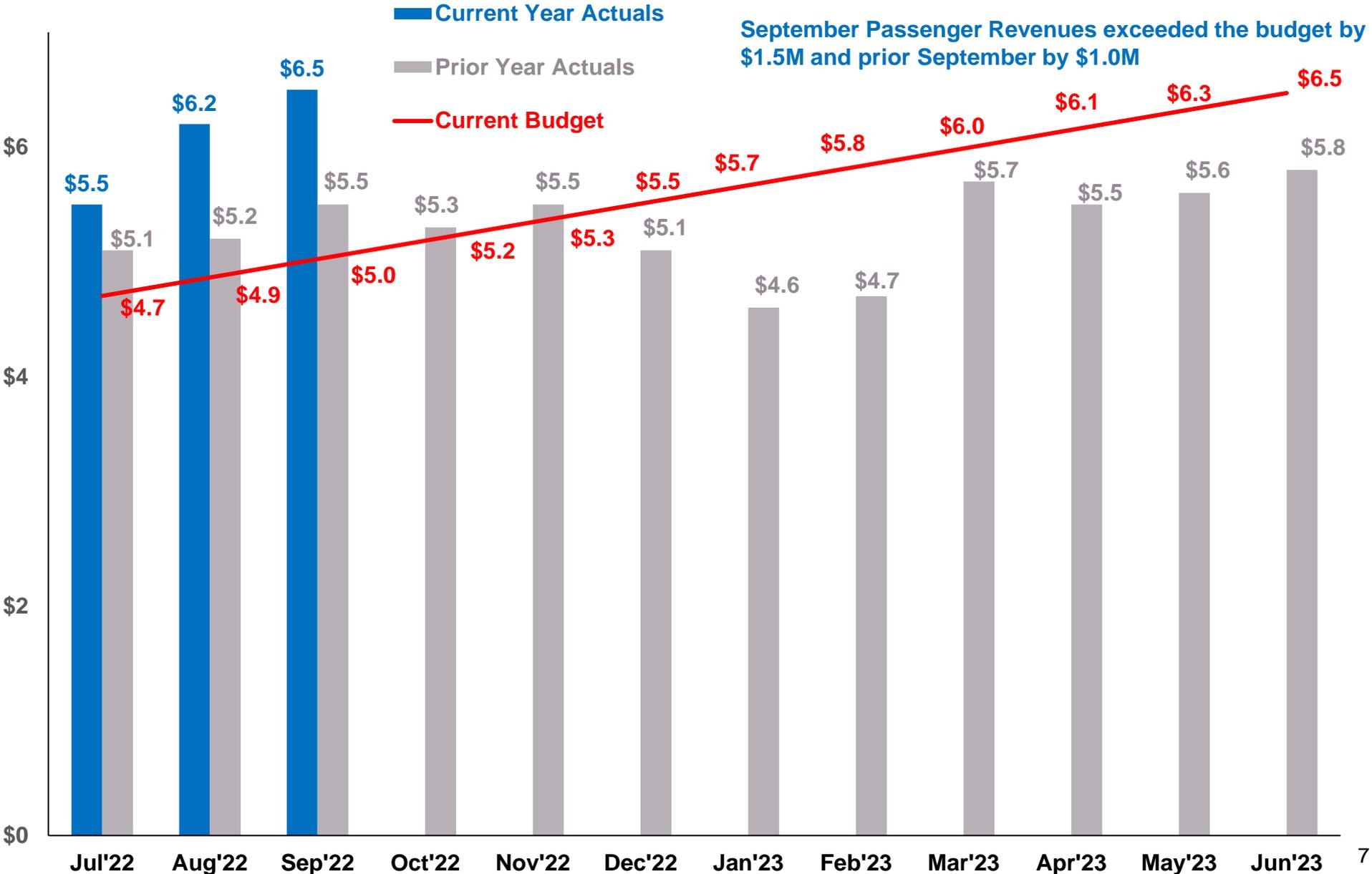
EXPENSE COMMENTS – Monthly expenses were \$10.3M below budget

- Salaries and Wages were below budget by \$9.9M primarily due to 662 vacant positions
- Overtime is slightly higher than budget by (0.6) and is directly related to vacancies
- Total Benefits were below budget by \$4.3M which is also directly related to the large number of vacancies
- Contractual Services were \$3.3M below budget largely due to the COVID-19 driven reduction in ridership for contracted paratransit services
- Other Non-Labor Expenses were \$3.5M above budget as a result of an increase in casualty and liability reserves

Key Performance Indicators

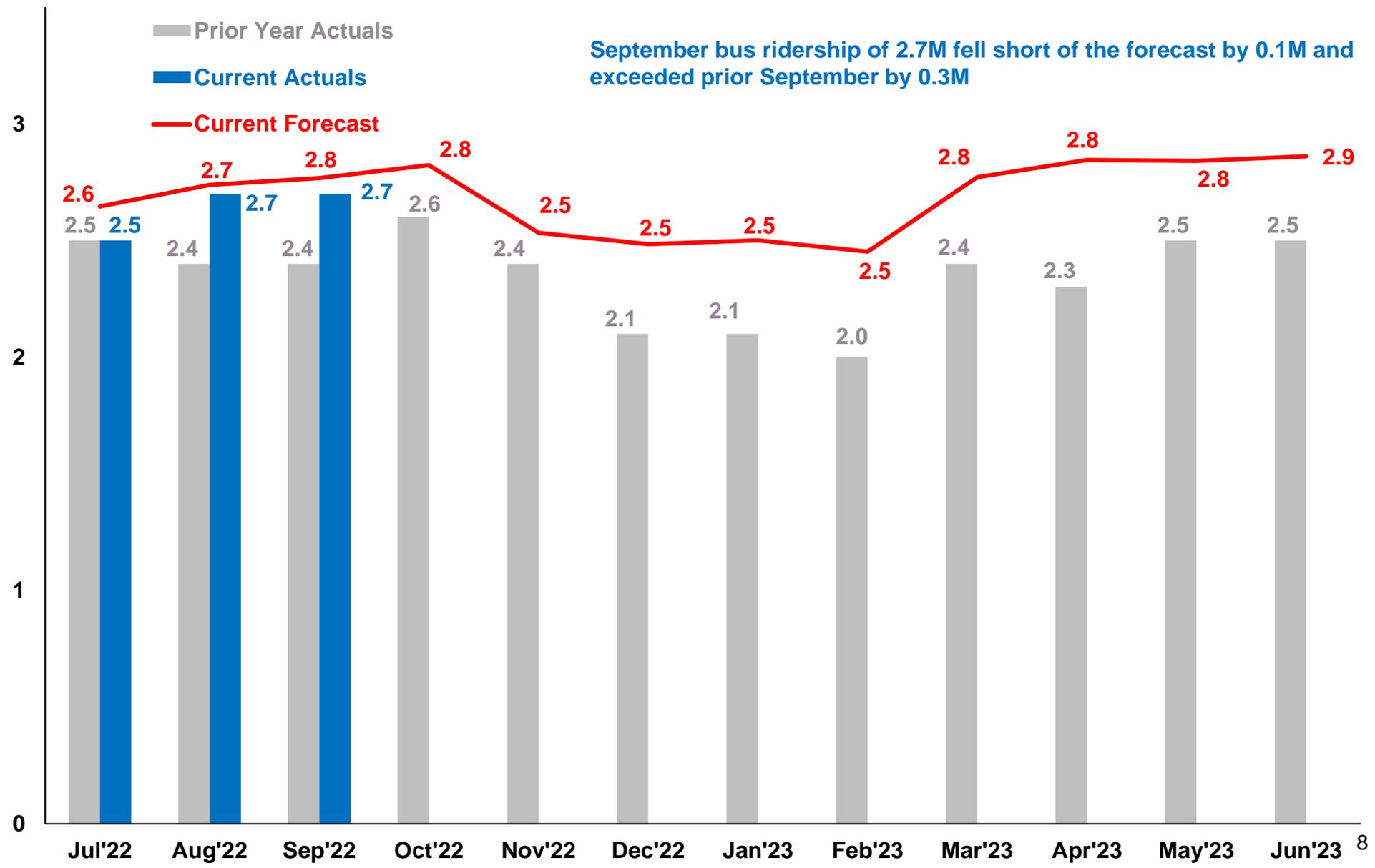
First Quarter Ended September 2022

Passenger Revenues (millions)



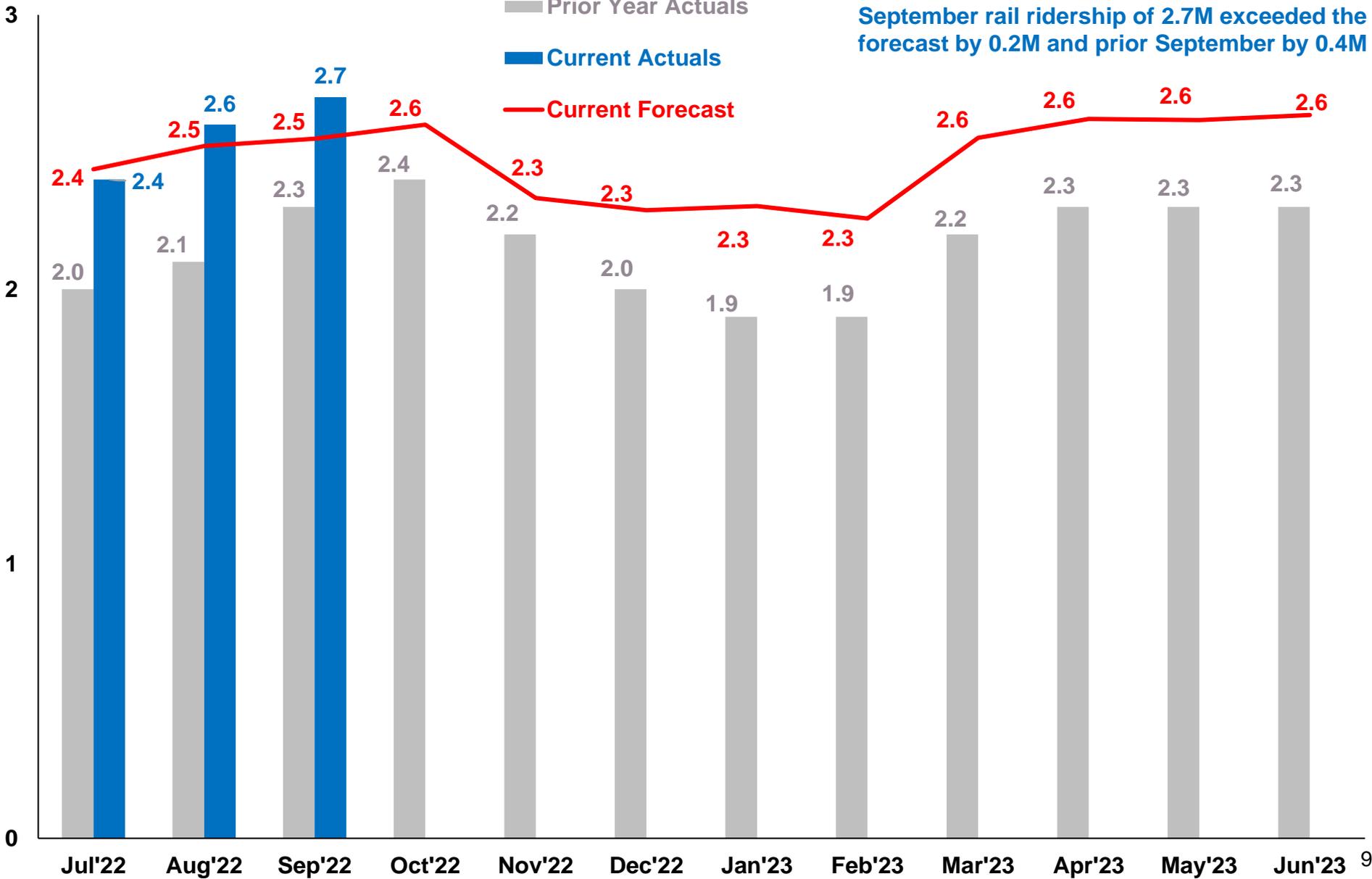
Bus Ridership (unlinked trips, millions)

September bus ridership of 2.7M fell short of the forecast by 0.1M and exceeded prior September by 0.3M



Rail Ridership (unlinked trips, millions)

September rail ridership of 2.7M exceeded the forecast by 0.2M and prior September by 0.4M





Capital Financial Highlights First Quarter Ended September 2022

Capital Sources and Uses by Category - SGR
Year-To-Date through Sep 2022
(\$ in Millions)

		ACTUAL	BUDGET	BUDGET VARIANCE	
		\$	\$	\$	%
SOURCES OF FUNDS					
	Beginning Balance	44.8	34.4	10.4	0.0%
	Sales Tax	148.5	142.0	6.5	4.6%
	Federal Funds	35.0	50.8	-15.8	-31.1%
	Other Revenue	0.6	0.3	0.4	140.0%
	Debt Issue	0.0	0.0	0.0	0.0%
	Total Sources of Funds	228.9	227.5	1.5	0.6%
USES					
	Vehicles	11.0	25.2	14.2	56.3%
	Facilities & Stations	-2.7	38.0	40.7	107.1%
	Maintenance of Way	3.1	10.0	6.9	68.8%
	Systems	11.6	21.9	10.3	46.9%
	Non-Asset	5.9	33.0	27.1	82.1%
	Subtotal CIP:	29.0	128.0	99.0	77.3%
	Debt Service	73.3	72.5	-0.8	-1.1%
Total Uses		102.3	200.5	98.2	49.0%
Under/(Over)		126.6	27.0	99.7	

Capital Top 10 Projects by Expenditures - SGR Year-To-Date through Sep 2022

(\$ Millions)

Description	Category	Actuals	Budget	% of Budgeted	% of CIP Actuals
CQ310 CQ 311 Rail Car Rpl Prog	Vehicles	\$5.2	\$56.5	9.1%	17.8%
Train Control Systems Upgrade	Systems	\$3.9	\$4.5	85.3%	13.4%
CQ310 and CQ311 Life Extension	Vehicles	\$3.7	\$10.7	34.8%	12.8%
Rehab Tunnel Ventilation Fans	Systems	\$3.1	\$0.7	415.4%	10.6%
Track Renovation Phase IV	MOW	\$2.9	\$38.5	7.6%	10.1%
CPMO (SGR)	Non-Asset	\$2.7	\$30.0	8.9%	9.2%
GASB	Non-Asset	\$1.8	\$6.5	27.4%	6.1%
Bus Midlife Overhaul	Vehicles	\$1.3	\$4.5	28.2%	4.4%
Escalators Rehabilitation	Systems	\$1.1	\$7.2	15.1%	3.8%
Energy Services Company ESCO	Facilities	\$1.0	\$3.2	31.0%	3.4%
		\$26.6	\$162.4	16.35%	91.45%

Actuals Thru September 30, 2022 = \$29.1



Thank You

