

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

March 31, 2016

The Board of Directors Business Management Committee met on March 31, 2016 at 10:53 a.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Robert F. Dallas
Frederick L. Daniels, Jr., *Chair*
Roderick E. Edmond
Freda B. Hardage
Barbara Babbit Kaufman

MARTA officials in attendance were: General Manager/CEO Rukiya S. Thomas (Acting); Chief Operating Officer Rich A. Krisak; Chief Financial Officer Gordon L. Hutchinson; Chief Counsel Elizabeth O'Neill; AGMs Elayne Berry, Wanda Dunham, Robin Henry, Ming Hsi and Ryland McClendon; Executive Director Antoine Smith (Acting); Sr. Director LaShanda Dawkins; Directors Lisa DeGrace, Diane Hamilton, Johnathan Hunt; Executive Manager to the Board Rebbie Ellis-Taylor; Finance Administrative Analyst Tracy Kincaid. Others in attendance Davis Allen, Abebe Girmay, Nicholas Gowens and Terry Ponder.

Also in attendance were Pam Alexander and Watson Simmonds of LTK Engineering; Gena Major of SRTA; Helen McSwain of MATC.

Consent Agenda

- a) Approval of the February 25, 2016 Business Management Committee Meeting Minutes
- b) Resolution to Award Employee Voluntary Benefits Program, Request for Proposals Number P34991

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

Individual Agenda

Resolution Authorizing the Award of Multiple Contracts for Printing Paper for Authority-Wide Use, IFB B36363

Mrs. DeGrace presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into contracts with Athens Paper Company in the amount of \$164,294.00 and Mac Papers, Inc. in the amount of \$191,319.15 for Printing Paper for Authority-Wide Use, in the total Contract award amount of \$355,613.15.

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

Resolution Authorizing Award of Multi-Functional Printers (MFPs) Lease and Maintenance Services, Request for Proposals P33231

Mrs. Hamilton presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into a contract with Ricoh USA, Inc. for Multi-Functional Printers (MFPs) Lease and Maintenance Services.

Dr. Edmond asked why are there no DBEs

Ms. Smith currently there are no certified DBEs in MARTA database that provide these services.

Dr. Edmond said it is hard to conceptualize that no minority or female-owned businesses can provide these services. He added that he was not prepared to move forward with the vote.

Mr. Daniels asked why does color print slower.

Mrs. Hamilton said because it is mostly used and uses more cartridges.

Mr. Daniels asked how will it be monitored.

Mrs. Hamilton said MARTA Information Technology (IT) currently monitors printing.

Mrs. Thomas said this contract will allow MARTA to better track who uses the printer and how often, which will help to reduce waste.

Mr. Daniels asked will this prevent employees from printing personal documents.

Mrs. Hamilton said IT will not be able to see what an employee is printing but who is printing, which will significantly reduce personal use.

Mr. Daniels said he wants to be sure that it is being properly monitored.

On motion by Mrs. Kaufman seconded by Mrs. Hardage, the resolution was approved with a vote 3 to 0, with 5 members present.

Mr. Daniels abstained.

Dr. Edmond voted no.

Briefing – FY2016 January Budget Variance Analysis and Performance Indicators

Mr. Hutchinson briefed the Committee on the FY2016 January Budget Variance Analysis and selected Performance Indicators.

- January summary
 - Surplus of revenues over expenditures was \$6.2M, \$1.8M better than budget
 - Revenues were \$.4M under budget
 - Expenditures were \$2.2M less than budget
 - This has been a recurring theme for a number of months for the Authority
- There has been a continued softness under Revenues but MARTA's performance on the expenses has been good enough to keep the Authority positive
- Combined Sales Tax is under budget by \$1.7M, with Ad Valorem receipts for the month being right on budget
- There was also some softness in Passenger Revenue
- Overtime continues to run high, but MARTA remains positive when combined with Salaries
- Year-to-Date (YTD) Revenues are \$26.2M over Expenditures, \$14.5M better than budget; Revenues were \$1M under budget and Expenditures were \$15.5M less than budget
- YTD Sales Tax is \$9.2M weaker than anticipated

- Ad Valorem Tax is also under budget YTD
- YTD Benefit costs continue to run under budget
- Tax receipts are consistently higher than prior year but less than budget every month, with the exception of the last two months that were the result of holiday sales period
- Gross Labor Cumulative Expenses is consistently below budget; primarily due to labor rates it is higher than prior year
- Combined Ridership is on a three month downward trend and for the first time below budget and prior year – Rail is holding up a little better, but Bus is disconcerting
- Mobility Ridership has been consistently above projections and prior year; however this costs the Authority more money because each extra ride only covers a fraction of the cost of the service
- Bus OTP has seen some improvement and is above target but below prior year
- Bus MDBF has seen a significant decline and is below target but still above prior year

Mr. Daniels asked what caused the decline in Bus MDBF.

Mr. Krisak said it is primarily due to the MDBF of the new bus fleet being lower than anticipated. There are a couple of fixes in place that MARTA has been in communication with New Flyer about, so it is expected to increase. There are some issues with the sub-suppliers and once those are resolved there will be improvement in MDBF.

Mr. Daniels said car sales are up, but the Authority's Ad Valorem tax receipts are down.

Mr. Hutchinson said Mr. Daniels made a good point. He added that staff would take a look into what may be the cause.

Mrs. Kaufman said the decline in Ridership is likely due to declines in gas prices but the Authority should consider people using Uber.

Mr. Daniels said MARTA has partnered with Uber.

Other Matters

- a) The Committee was provided the FY2016 January Key Performance Indicators as informational only.

Adjournment

The meeting of the Business Management Committee adjourned at 11:25 a.m.