

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

**June 26, 2015**

The Board of Directors Business Management Committee met on June 26, 2015 at 10:00 a.m. in the Board Room on the 6<sup>th</sup> Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

**Board Members Present**

Robert L. Ashe III  
Harold Buckley, Sr.  
Robert F. Dallas  
Jim Durrett  
Jerry Griffin  
Barbara Babbit Kaufman, *Chair*  
Russell McMurry\*

MARTA officials in attendance were: General Manager/CEO Keith T. Parker; Chief Operating Officer Richard A. Krisak; Chief Financial Officer Gordon L. Hutchinson; Chief Administrative Officer Edward L. Johnson; Chief of Staff Rukiya S. Thomas; Chief Counsel Elizabeth O'Neill; AGMs Rhonda Briggins (Acting), Ming Hsi and Don Williams (Interim); Executive Director Ferdinand Risco; Sr. Directors Cynthia Beasley, Joseph Erves and Kevin Hurley; Directors Tom Beebe and Lisa DeGrace; Manager Greg Anderson; Executive Manager to the Board Rebbie Ellisor-Taylor; Manager of Executive Office Administration Tyrene L. Huff; Finance Administrative Analyst Tracy Kincaid. Others in attendance Davis Allen, Anthony Ashley, Alphonse Eugene, Abebe Girmay, Nicholas Gowens, Don Lawrence, Anthony Morrow and LaTonya Pope.

Also in attendance Pam Alexander of LTK Engineering; Jack Buckingham of MATC; Sid Sparks of Virginkar & Associates.

**Consent Agenda**

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- a) Approval of the May 28, 2015 Business Management Committee Meeting Minutes
- b) Resolution Authorizing Award of a Contract for MARTA's Mystery Customer Program, RFP P34580

\* Russell McMurry is Commissioner, Georgia Department of Transportation (GDOT) and is therefore a non-voting member of the MARTA Board of Directors.

On motion by Mr. Durrett seconded by Mr. Ashe, the Consent Agenda was unanimously approved by a vote of 5 to 0, with 6\* members present.

**Individual Agenda**

**Resolution Authorizing the Award of Multiple Contracts for the Procurement of MARTA Contactless Smart Card Fare Media, Contract Proposal Number B32538**

Mrs. Beasley presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into multiple contracts for the procurement of MARTA Contactless Smart Card Fare Media with Ask-intTag, LLC, in the amount of \$6,033,000.00, for the supply of Extended Use (EU) cards and Confidex Ltd., in the amount of \$4,503,070.00, for the supply of Limited Use (LU) cards.

On motion by Mr. Durrett seconded by Mr. Griffin, the resolution was unanimously approved by a vote of 5 to 0, with 6\* members present.

**Resolution to Authorize and Validate Additional Security for MARTA Sales Tax Revenue Bonds**

Mr. Hurley presented this resolution for Board of Directors' approval to authorize and validate the Clayton County Sales Tax and the vehicle Ad Valorem Tax to support Sales Tax Revenue Bonds issued under MARTA's Third Lien Trust Indenture. This resolution also authorizes an amendment to the Third Lien Trust Indenture that would change the historic bonds test from a 1.5 X coverage to a 2.0 X coverage. These changes will strengthen future bond ratings.

On motion by Mr. Griffin seconded by Mr. Durrett, the resolution was unanimously approved by a vote of 6 to 0, with 7\* members present.

**Resolution Authorizing Award of a Contract for Leave of Absence Administration Program, RFP P35334**

Mrs. Thomas presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into a contract with UPMC WorkPartners for a Leave of Absence Administration Program. This is a three-year Contract with two 1-year options. The Contract amount is \$1.7M.

Mr. Ashe motioned approval. Mr. Buckley seconded.

Mr. Dallas asked what are the current costs.

Mrs. Thomas said approximately \$18M for represented employees and approximately \$9M for non-represented employees.

Mr. Dallas asked will those costs disappear with what is being proposed.

Mrs. Thomas said the costs will improve. She noted that a more detailed presentation will be given to the Board at the next Work Session.

Mr. Dallas said the Board needs to see what makes this worthwhile.

Mr. Griffin agreed, noting that the Board recently rejected outsourcing Human Resources with the thought that it could be done more effectively in-house.

Mrs. Thomas said currently this particular function is being managed by three departments – Human Resources, Legal and Risk Management – the Authority needs to centralize this function.

Mr. Griffin asked if this program is only for long-term leave.

Mrs. Thomas said the program will manage all leave types – FMLA, Sick, Long Term Sick (LTS) as well as Short and Long Term Disability – everything except vacation and Paid Time Off (PTO).

Mr. Parker suggested a more in-depth discussion at the next Work Session before asking the Board to vote.

Mrs. Kaufman agreed this would be a good idea.

Mr. Ashe made a substitute motion to hold this item for one month so that staff can come back during the July Work Session with more information. He also asked that more effort is put into the DBE piece, noting that the Board would like to see more than 1% participation. Mr. Durrett seconded. The Board unanimously agreed by a vote of 6 to 0, with 7\* members present.

**Resolution Authorizing the Solicitation of Proposals for General Counsel and other Outside Counsel Legal Services**

Mrs. O'Neill presented this resolution for Board of Directors' approval authorizing the General Manager or his delegate to solicit proposals for General Counsel and other Outside Counsel Legal Services. This procurement will provide the Board with a General Counsel as well as provide MARTA with a law firm or groups of law firms to provide legal representation to the Authority for a variety of legal matters.

On motion by Mr. Durrett seconded by Mr. Ashe, the resolution was unanimously approved by a vote of 6 to 0, with 7\* members present.

**Briefing – FY2015 April Budget Variance Analysis and Performance Indicators**

Mr. Hutchinson briefed the Committee on the FY2015 April Budget Variance Analysis and Performance Indicators.

- The month of April showed strong financial performance with a surplus of \$6.7M and \$6.4M better than budget
- There was a continued softness in Passenger Revenue; yet Revenue was strong overall
- Year-to-Date, the Authority has a surplus of Revenue over Expenses
- Excluding Overtime, the Authority's Salaries & Benefits is positive
- MARTA will end the Fiscal Year, at approximately \$30M in revenues over expenses
- Key Performance Indicators are at or above target in most areas
- Cumulative Operating Expenses are running under Budget
- Combined Ridership slipped below projections right around the time gas prices decreased
- Customer Service has been consistently on target
- Vertical Transportation KPIs, a key ADA requirement, are all on target – the maintenance program is showing good results
- Crime Rate is below prior year
- Employee injuries had been running high but are now on a multi-month downward trend

**Mrs. Kaufmann asked if Passenger Revenue is down because gas is cheaper.**

**Mr. Parker said yes, an approximate \$.5M loss is attributable to gas prices but this is still positive in comparison to last year. Ridership is down nationally – MARTA is doing better than most agencies.**

**Mr. Ashe asked about Workers Compensation.**

**Mr. Parker said staff is looking at how the reporting of Workers Compensation can be better reported, noting that it is a very lumpy report.**

**Mr. Ashe asked if MARTA has a Workers Compensation consultant.**

**Mrs. O'Neill said the Authority has a case manager.**

**Mr. Parker said this is part of the tabled resolution.**

**Mr. Hutchinson added that Workers Compensation reflects accidents that took place in the past.**

**Mr. Griffin asked is MARTA recording the expense when it is paid out.**

**Mrs. O'Neill said that was done in the past until the Actuary advised MARTA to record it when it occurs.**

**Mr. Ashe congratulated staff on the Year-to-Date surplus.**

**Mr. Parker said the KMPG study indicated MARTA would end the year negative. It has been turned almost completely around.**

**Mr. Buckley asked if MARTA will definitely end the year in the black.**

**Mr. Hutchinson said yes, this is in fact a record year for MARTA.**

**Mr. Ashe said it is highly notable that MARTA had ended the year in the black for a consecutive year.**

**Mr. Dallas said the economy coming back has caused more congestion. He asked if the Authority is looking at ways to get people off the roads and riding MARTA.**

**Business Management Committee**

**6/26/15**

**Page 6**

Mr. Parker said the Authority has begun an Ad Campaign that highlights the benefits of riding MARTA. Additionally, the Authority plans to do a fare sale to get people to try MARTA as well as looking into offering special holiday and family rates over the few months.

Mr. Ashe requested that future presentation include benchmarks to see how MARTA compares nationally.

Mr. Hutchinson said staff could provide that information on a quarterly basis.

Mr. Dallas also expressed interest in a comparison to other systems, specifically, as it relates to employee injuries.

Mr. Parker said that metric is more difficult because agencies quantify and qualify employee injuries differently.

Mr. Dallas said his concern is that MARTA seems to have a lot of employee injuries.

Mr. Parker said staff will do a national comparison but it is important to note that MARTA considers all injuries even if no work was missed.

**Other Matters**

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The April FY2015 Key Performance Indicators were provided as informational only.

**Adjournment**

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The meeting of the Business Management Committee adjourned at 10:48 a.m.