

MINUTES
WORK SESSION OF THE BOARD OF DIRECTORS
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

January 9, 2020

12:04 p.m.

Board Members Present

Robert L. Ashe III
Jim Durrett
Roderick E. Edmond
William F. Floyd
Roderick A. Frierson
Jerry Griffin
Freda B. Hardage
Alicia M. Ivey
Russell McMurry, P.E.*
John 'Al' Pond
Rita A. Scott

Staff Members Present

Jeffrey A. Parker
Luz Borrero
Wanda Dunham
Collie Greenwood
Kevin Hurley (Interim)
Elizabeth O'Neill
Franklin Rucker
Heather Alhadeff
Rhonda Allen
Stephany Fisher
Virgil Fludd
Tonya Gantt
Abebe Girmay
Jonathan Hunt
Gina Major
Dean Mallis
Kirk Talbott

Also in attendance were Robert S. Highsmith, Jr. of Holland & Knight; David Wickert of *The AJC*.

Chair's Report

Upcoming Meetings:

Thursday, January 16, 2020

- External Relations Committee – 10:00am

Thursday, January 30, 2020

- Planning & Capital Programs Committee – 9:30am
- Operations & Safety Committee (immediately following)
- Business Management Committee (immediately following)

* Russell R. McMurry, P.E. is Commissioner of GDOT and is therefore a non-voting member of the MARTA Board of Directors.

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Friday, January 31, 2020

- Audit Committee – 10:00am

Thursday, February 13, 2020

- Work Session – 12:00noon
- Board – 1:30pm

Approval of the December 12, 2019 Work Session Minutes

On motion by Mr. Pond seconded by Mr. Durrett, the minutes were unanimously approved by a vote of 9 to 0, with 10* members present.

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Chair Hardage announced the Board of Directors would receive an Ethics Training session on Tuesday, February 25, 2020.

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GM/CEO Report

Mr. Parker reported that he and Mr. Greenwood were in Chicago earlier this week with transit agency personnel, bus manufacturers and universities who have testing facilities and are working with a consortium on recommendations around zero emission on buses - either electric battery powered or hydrogen. We are working on the recommendations to determine how to implement electric buses in full-scale. The sentiment that we heard is Chicago and Los Angeles, specifically, have imposed an agenda to embrace electric buses. They are working through the operational issues such as charging stations. This gives MARTA an opportunity to understand where the industry is going as we formulate the Authority's strategy. MARTA was a recipient this past summer of a grant from the federal government to procure several buses. This will be the beginning of our testing. Mr. Parker further noted that MARTA must create a strategy that is supported by the Capital Program. The third meeting of this group will be held in Atlanta.

FTA Triennial Review

Mr. Parker called the Board's attention to a draft report from the Federal Transit Administration, noting the final report was sent to Board members this morning.

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Purpose of the Triennial Review

- As a FTA grantee, every three years the FTA does a review of all grantees across the country. They look at twenty-one different program areas, such as Legal, Financial Management, Procurement, ADA, Section 5307 Program Requirements, etc. It is a comprehensive review throughout every department. Chair Hardage attended the opening and closing sessions of the review. There were only two areas with findings:
 - Technical Capacity – this finding is around grant reporting. FTA identified two reports were not in agreement in terms of the spending against those grants
 - a. The Milestone Progress Report – milestones of a specific project
 - b. The Federal Financial Report – overview of federal money spent by MARTA

Areas were identified that was not in alignment. During MARTA's Budget process for 2020, the management team identified the need to ensure our encumbrance process is accounting for the current spending as well as over multiple years. Staff identified the need to update the Authority accounting system, so the encumbrances can be recorded in MARTA's system. We are in the process of changing our business practices and making modification to our accounting system by March 2020.

- Disadvantaged Business Enterprise (DBE)
 - a. Inaccuracies in reporting spending (this issue is being worked on and should be resolved in the March 2020 timeframe)
 - b. DBE Participation – over the past two years, MARTA has met the goals established around DBE participation. Because we have exceeded the race-conscious portion of our goals (we had a 25% goal and attained a little over 30% performance over the last two years), the FTA is asking MARTA to reduce the race-conscious portion of our goal to a race-neutral goal. Ultimately, we will be driving in contracts that have federal participation, that we only get to 25% of the race conscious portion of our DBE goal.

Mr. Parker stated that he feels it important to inform the Board of this information. MARTA has a strong program and it is important to have a DBE program that has both a race-neutral and race-conscious program. He said staff will work hard to be in compliance with the FTA's expectations around participation, while also recognizing a race-conscious program is important to this organization. Staff will continue to bring the Authority's goals to the Board and demonstrate where we are meeting them.

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Mr. Pond asked for a summary.

Mr. Parker explained that the FTA is saying the goal of the DBE needs balance, based on the goals that we set, between a race-conscious program and a race-neutral program. They are saying MARTA needs to relax the race conscious part of its program and increase the race-neutral portion. In their words, we are exceeding our goal over the past two years, by a fairly large margin of 5% and they are looking for us to bring that down.

Ms. Nash said the FTA's edict is to meet as much of your goal by a race-neutral means. The way they look at it, is in a perfect society, there would be no need for a race-conscious goal – to set goals that require companies to meet them - you get there race-neutrally. It is not a perfect society, so we do have goals. What they are saying is since we are exceeding our goals, we need to try and meet our goals by a race-neutral means. MARTA have programs in place to help us to that; our Small Business Program is one where you do not look at race – its race-neutral. It gives small businesses the opportunity to procure items. And it is a means of trying to build small businesses to the point they can bid on larger items as well as maybe becoming primes as they grow.

Chair Hardage asked if the goal is 25% and we achieve 31%, will MARTA be penalized.

Ms. Nash said there is no penalty.

Mr. Parker said the FTA is looking for 'best effort'.

Ms. Scott asked if this would require MARTA to omit a small business that meets DBE qualification due to focusing on small business but also to be race-neutral.

Ms. Nash said it would not.

Mr. Durrett asked what is required in responding to the Triennial Review.

Ms. Nash responded MARTA is required to provide a corrective action. They are looking to see how we will increase our race-neutral participation (MARTA's Small Business Program). Another means to getting DBE companies to bid on procurements as prime.

Mr. Parker said MARTA will respond and he anticipates our response will be accepted by the FTA.

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Ms. Ivey said her interpretation is the FTA wants to see a balance of the race-conscious as well as the race-neutral. She asked does MARTA have the small business shelter program that is being promoted in addition to the race-conscious.

Ms. Nash said yes, MARTA recently implemented this program.

Mr. Ashe reminded everyone that this review covers 2015-2017 and some of the measures could have already been put in place. This does not incorporate recent changes. This is a review, not an audit.

Dr. Edmond said focusing on DBE, do we know how FTA establish these aspirations. He asked staff to find out if there is any discussion around the numbers.

Mr. Parker said the FTA is not setting the 25% goal, MARTA sets that number. FTA is holding us to apply our goal to their program. Every transit agency sets a goal that is appropriate for them.

Mr. Floyd asked what the deficiency is.

Mr. Parker said they are saying we are leaning too far in one direction. FTA will not be critical of meeting the goal, but rather how we are getting there.

Ms. Nash, by way of example, pulled the numbers for FY 2019. For Federal FY 2019, the Authority reached a 30% goal. It was not so much of a problem because in that year the race-neutral percentage was 7.2% and the race-conscious was 22.8%. The FTA does not want MARTA to go above that number through race-conscious. Because we increased race-neutral, the FTA is fine with that. They want a balance.

Mr. McMurry stated any DBE program is a program where you try to reach goals. There is annual reporting and you must turn in your DBE Plan every three years. There is another program other than Triennial Review that may not correspond. Every year you are reporting and talking about how you are doing, what you are doing to meet a goal. Goal-setting is not arbitrary. There is a lot of math, resources, geographic, social economics, etc. - there is a lot of information that goes into it. This is a very good report. As MARTA goes forward, especially with MORE MARTA efforts, those goals will continue to adjust. This is an extremely detailed process, but its not a bad thing. It is something to continue to work on.

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2020 Calendar of Staff Reports to the Standing Committees

Mr. Parker called the Board's attention to a handout titled, *Departmental Briefing Schedule to the Standing Committee for 2020*. He informed the Board that staff, in order to support the Schedule, will provide specific detailed briefings and reports to the Committees throughout the year. **A copy of the Schedule is attached to and made part of the official record copy of these minutes.**

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On motion by Mr. Ashe seconded by Mr. Griffin the Board unanimously agreed by a vote of 11 to 0, with 12* members present to go into Executive Session at 12:41 p.m. to discuss a litigation matter.

On motion by Mr. Ashe seconded by Mr. Durrett the Board unanimously agreed by a vote of 11 to 0, with 12* members present to adjourn the Executive Session at 1:30 p.m.

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Adjournment

The meeting of the MARTA Board of Directors adjourned at 1:30 p.m.