

MINUTES
MEETING OF THE BOARD OF DIRECTORS
BUSINESS MANAGEMENT COMMITTEE
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
July 31, 2019

The Board of Directors Business Management Committee met on July 31, 2019 at 11:56 a.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Jim Durrett, **Chair**
William 'Bill' Floyd
Roderick A. Frierson
Jerry Griffin
Alicia M. Ivey
John 'Al' Pond
Rita A. Scott
Christopher S. Tomlinson*

MARTA officials in attendance were: General Manager/ CEO Jeffrey A. Parker; C-Suite Team Members Chief of System Safety, Security & Emergency Management/Police Wanda Dunham, Chief of Bus Operations Collie Greenwood, Chief Financial Officer Gordon L. Hutchinson, Chief of Staff Melissa Mullinax, Chief Counsel Elizabeth O'Neill Chief of Capital Programs, Expansion & Innovation Franklin Rucker and Chief of Rail Operations David Springstead; AGMs Marsha Anderson Bomar, LaShanda Dawkins, Colleen Kiernan (Acting), Charles Middlebrooks (Acting), Kirk Talbott, and Tom Young (Interim); Chief Information Security Officer Dean Mallis; Executive Director Paula Nash; Senior Director Jacob Vallo; Directors David Emory, Jacqueline Holland (Acting) and Jonathan Hunt; Manager Stephany Fisher; Manager MARTA Board of Directors Rebbie Ellisor-Taylor; Manager Executive Office Administration Tyrene Huff; Sr. Executive Administrator Ashanti Boothe; Sr. Executive Administrator Keri Lee. Others in attendance Katherine Dirga, Abebe Girmay, Courtne Middlebrooks, LaTonya Pope, Akio Turner and Cassandra Whitfield.

Also in attendance David Wickert of *The AJC*.

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

On motion by Mr. Griffin seconded by Ms. Ivey, the minutes were unanimously approved by a vote of 7 to 0, with 8* members present.

* Christopher Tomlinson is Executive Director of Georgia Regional Transportation Authority (GRTA) and is therefore a non-voting member of the MARTA Board of Directors.

Resolution Authorizing a Request for Qualifications to Commission New Public Artworks

Ms. Dirga presented a resolution authorizing the General Manager/CEO or his delegate to enter into a contract to conduct a qualifications-based process to select various vendors to provide new artworks for the Art in Transit Program.

In order to efficiently deliver large-scale art implementations, Staff recommendation is to pre-qualify a group of local and regional arts organizations as potential partners in project development and implementation.

Bringing community partners aboard to assist in curating and implementing projects will allow Art in Transit to scale delivery of artworks across the system and to exponentially increase the impact of the Program.

The estimated cost of services is \$4M for a term of three (3) base years with two (2), one (1) year options.

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

Resolution Authorizing Execution of an Amendment to King Memorial TOD Ground Lease

Mr. Vallo presented a resolution authorizing the General Manager/CEO or his delegate authorization to execute of the Fourth Amendment to Lease Agreement between MARTA and King Memorial TOD, LLC.

MARTA initially entered into a Lease Agreement with Walton Communities in 2015 for the TOD at King Memorial Station. On May 27, 2016, MARTA received notification from Walton Communities that they could not move forward with the proposed TOD project.

Walton Communities agreed to assign all definitive agreements to HJ Russell and Place Properties, the second ranked respondent to the Request for Proposals. On March 3, 2017 the Assignment, Assumption and Lease Amendment Agreement was executed.

On August 13, 2018 and October 24, 2018 respectively, a Second and Third Amendment to the Assumption and Lease Amendment Agreement were executed, respectively.

Business Management Committee

7/31/19

Page 3

Equity and Debt financing sources, with whom the Developer is negotiating to obtain funding for the TOD, require modifications to the Ground Lease, Assumption and Lease Amendment Agreement.

Staff recommends the approval of the Fourth Amendment to the Assumption and Lease Amendment Agreement which includes the following three (3) changes:

1. Cap Ground Lease Rent Escalation to 5.00% upon an Appraisal Reset Date, so long as the existing development program is not substantially changed over the term of the 99-year ground lease.
2. Add an earlier Appraisal Reset Date of year 25 of the 99-year ground lease term, as well as a Floor on the Ground Lease Rent Escalation of no less than the then current base rent. The current ground lease does not have an Appraisal Reset Date until year 40. MARTA is receiving an earlier Appraisal Reset Date of 25 years, maintaining its year 40 reset date and establishing a Floor on its Base Rent, in exchange for a Cap on the Base Rent Escalation.
3. Provide more definition around the Developer's requirement to make "commercially reasonable best efforts" to maintain affordability at the TOD, upon the expiration of the Affordable Period of 15 years.

The Fourth Amendment will provide for the financial closing to occur in August 2019, so the Developer can begin construction.

On motion by Mr. Griffin seconded by Ms. Ivey, the resolution was unanimously approved by a vote of 7 to 0, with 8* members present.

Resolution Authorizing the Solicitation of Proposals for the Procurement of the Replacement of the Computer Assisted Dispatch and Automated Vehicle Locator (CAD/AVL) System, RFP P44859

Mr. Talbott presented a resolution authorizing solicitation of proposals for procurement of replacement for Computer Assisted Dispatch and Automated Vehicle Locator (CAD/AVL).

As part of ongoing efforts to improve the technological platforms that support the day-to-day operations of the Authority, the Technology Department is seeking permission to solicit proposals for a comprehensive solution to replace the Computer Assisted Dispatch and Automated Vehicle Locator (CAD/AVL) system that currently exists in MARTA's bus fleet.

Business Management Committee

7/31/19

Page 4

The implementation is necessary to provide a more efficient user experience for MARTA riders when tracking the location of buses as well as to enhance technology used by bus operators in route selection.

The solution should implement the following technologies as part of their overall Intelligence Transportation System (ITS) program:

- Wireless Data Communications
- Interface with fixed-route scheduling software
- Computer-Aided Dispatch/Automatic Vehicle Location (CAD/AVL)
- Automatic Passenger Counters (APCs)
- Data Warehousing and Reporting
- Automated Vehicle Announcements (AVA)

Mr. Griffin asked would the new platform repair the application for patrons to view the location of buses.

Mr. Talbott said yes, the new platform would provide frequent information. Currently, the existing platform only indicates the bus location every two (2) minutes. This platform would show the location of the bus every few seconds.

Mr. Tomlinson asked if staff is looking to install Motor Data Standards (MDS).

Mr. Talbott said yes, staff is seeking to install MDS as the new platform emerges.

Mr. Frierson asked would the new platform address traffic routing issues.

Mr. Talbott said the request for the platform is in the RFP phase and it would be difficult to provide precise functionality features. The technology is well developed and matured. It would be reasonable to expect solutions for traffic routing issues from received solicitations.

Mr. Tomlinson asked if there was a rough timeline to award a contract and when would the RFP be released.

Mr. Talbott said the Authority intends to release the RFP immediately. The timeframe for solicitations would depend upon stipulations within the proposal and the cost of allocation. This is a high priority project and it would be addressed as soon as possible.

Mr. Tomlinson expressed his happiness for the improved platform. MARTA's system has been a lynch pin for the region. This will be a critical investment for MARTA and a key source of information for the region.

Mr. Pond asked would the new platform allow a potential patrons to use an application which would determine the location of the bus.

Mr. Talbott said yes, that is the general essence of describing this service to patrons.

On motion by Mr. Pond seconded by Mr. Frierson, the resolution was unanimously approved by a vote of 7 to 0, with 8* members present.

Resolution Authorizing Restatement of the MARTA Non-Represented Defined Contribution Plan and MARTA Deferred Compensation Plan

Mrs. Dawkins presented a resolution authorizing MARTA Board approval of the restatements of the MARTA Non-Represented Defined Contribution Plan and the MARTA Deferred Compensation Plan.

MARTA is transitioning to a new record keeper, Nationwide, for its Non-Represented Defined Contribution Plan 401 (a) and 457(b) deferred compensation plans, as approved by the MARTA Board on December 6, 2018. There are approximately 1,804 active participants with Nationwide and 114 active participants with Mass Mutual. As part of the transition from Mass Mutual to Nationwide, MARTA wishes to amend and restate the applicable plan documents by adopting the Nationwide Financial Services, Inc. Governmental Defined Contribution Volume Submitter Plan pursuant to an Adoption

The reasons why the Authority is transitioning to a single record keeper includes: Industry Best Practices of having regular review of record keeper or administrator every five (5) years, as well as consolidation of the plans to ensure fiduciary oversight and consistent administration.

Mr. Griffin asked does the resolution include all documents within the Committee packet

Mrs. Dawkins said yes, the resolution covers documents enclosed in the Committee packet.

On motion by Mr. Griffin seconded by Mr. Pond, the resolution was unanimously approved by a vote of 7 to 0, with 8* members present.

Resolution Authorizing a Plan Restatement to the MARTA Non-Represented Pension Plan, effective January 1, 2019

Mrs. Dawkins presented a resolution authorizing MARTA Board approval of a Plan Restatement to the MARTA Non-Represented Pension Plan.

Metropolitan Atlanta Rapid Transit Authority ("MARTA") maintains the MARTA Non-Represented Pension Plan (the "Plan"), a defined benefit plan covering non-represented employees which was originally adopted as of January 1, 1958. The Plan was last restated effective as of January 1, 2015 and has been amended four times. It is recommended that the Plan be amended and restated into an updated Plan document with an effective date of January 1, 2019 (the "Plan Restatement") in order to incorporate prior amendments, clarify existing Plan provisions to be more consistent with Plan operations, add new language, and remove outdated provisions. The Management Pension Committee overseeing the Non-Rep Pension Plan have reviewed the terms and conditions of the proposed amendment and recommend approval of the Amendment. The Committee has included a summary of the material changes made in the draft Plan Restatement for your review and consideration.

On motion by Mr. Griffin seconded by Mr. Floyd, the resolution was unanimously approved by a vote of 7 to 0, with 8* members present.

Briefing – FY2019 May Financial and Key Performance Indicators

Mr. Hutchinson provided an update on FY20 May financial highlights and KPI's.

Year-To-Date Operations Performance

Net Revenues – \$467.8M

Net Expenses – \$443.6M

Net Surplus – \$24.2M (\$16.9 better than budget)

Year-To-Date Operating Revenues and Expenses

Revenues

- Sales Tax – \$ \$233.2M
- Title Ad Valorem Tax – \$28.7M
- Federal Assistance – \$62.8M
- Passenger Revenue – \$119.9M

Business Management Committee

7/31/19

Page 7

Expenses

- Salaries & Wages – \$210.4M
- Overtime – \$38.0M
- Benefits
 - Healthcare Rep/ NonRep – \$58.1M
 - Pension Rep/NonRep – \$28.3
 - Workers Compensation Losses – \$6.5M
 - Other Benefits – \$22.7M
- Other Non-Labor – \$33.1M

Net Operating Expenses – \$443.6M

Current Month Operating Performance

Net Revenues – \$45.7M

Net Expenses – \$39.9M

Net Surplus – \$5.8M (\$5.1M better than budget)

Current Month Operating Revenues and Expenses

Revenues

- Sales Tax – \$21.6M
- Title Ad Valorem Tax – \$3.1M
- Federal Assistance – \$7.8M
- Passenger Revenue – \$10.7M

Expenses

- Salaries & Wages – \$18.6M
- Overtime – \$4.9M
- Benefits
 - Healthcare Rep/ NonRep – \$6.1M
 - Pension Rep/NonRep – \$3.1
 - Workers Compensation Losses – \$0.8M
 - Other Benefits – \$2.1M
- Other Non-Labor – \$2.1M

Net Operating Expenses – \$39.9M

Sales Tax Required to Fund Operating Expenses (May 31, 2019) – 42%

Sales Tax Receipts – \$233.2M

Sales Tax Required to Fund Operating Expenses – \$209M

Under (over) Use of Sales Tax Receipts FY 2019 – \$24.2M

Mr. Pond said the year-to-date total salary and wages are positive however, the benefits cost are negative. He asked if the benefits cost are out of proportion.

Mr. Hutchinson said salaries and wages are positive due to unfilled positions. The benefits are negative due to large healthcare claims. The Finance Department will work with Human Resources to conduct an analysis to identify the healthcare numbers.

Mr. Griffin asked which area are the Authority's judgement liabilities deducted.

Mr. Hutchinson said the Authority's liabilities and deducted from other non-labor costs.

Mr. Griffin asked when are liabilities recorded.

Mr. Hutchinson said liabilities are recorded quarterly.

Sales and Ad Valorem Tax Revenue

- Exceeded budget

Cumulative Net Operating Expenses

- Under budget

Combined Ridership

- Below budget

Bus Mean Distance Between Failures

- Exceeds budget

Mobility Collisions Per 100K Miles

- Needs improvement

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Adjournment

The meeting of the Business Management Committee adjourned at 12:40 p.m.

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