

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

June 28, 2019

The Board of Directors Business Management Committee met on June 28, 2019 at 10:06 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**
Roderick E. Edmond
William 'Bill' Floyd
Roderick A. Frierson
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 Administrative Officer Luz Borrero, Chief of System Safety, Security & Emergency Management/Police Wanda Dunham, Chief Financial Officer Gordon L. Hutchinson, Chief of Staff Melissa Mullinax, Chief Counsel Elizabeth O'Neill and Chief of Rail Operations David Springstead; AGMs Marsha Anderson Bomar, Sherrie Johnson (Acting), James Sibert (Interim), Kirk Talbott, Emil Tzanov and Tom Young (Interim); Chief Information Security Officer Dean Mallis; Executive Director Paula Nash; Senior Directors Colleen Kiernan and Jacob Vallo; Directors Robin Boyd, David Emory, Jacqueline Holland (Acting), Torrey Kirby, Adam Shumaker and Don Williams; Managers Stephany Fisher, Miranda Johnson and Jim Robinson; Manager Executive Office Administration Tyrene Huff; Sr. Executive Administrators Ashanti Boothe; Kenya Hammond and Keri Lee. Others in attendance Jonelle Bertrand, Adrien Carter, Abebe Girmay, Janelle Jones, Andrew McBurney, Courtne Middlebrooks, LaTonya Pope, Negesha Stone-Boyd and Cassandra Whitfield.

Also in attendance Pam Alexander of LTK Engineering; Anthony Allen of ABC; Adam Halpin of Arcadis; Brad Henn of LTK; Eric Peterson of OSS Tech; Marshal Phipps of Beltline Rail Now and Cara Vojdani of Arcadis.

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

Approval of the May 30, 2019 Business Management Committee Meeting Minutes

On motion by Mr. Pond seconded by Ms. Ivey, the minutes were unanimously approved by a vote of 6 to 0, with 7* members present.

Resolution Authorizing the Solicitation of Proposals for the Procurement of Online Benefits Enrollment and Administration Services, RFP P43924

Mr. Robinson presented a resolution authorizing the General Manager/CEO or his delegate to enter into a contract for procurement of online benefits enrollment and administrative services, RFP P43924.

This procurement would be funded with Local Operating Funds in the estimated amount of \$4M, for a term of three (3) base years with two (2), one (1) year options.

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

Resolution Authorizing the Solicitation of Proposals for the Procurement of Group Health, Wellness, Life and Accidental Death & Dismemberment (AD&D) Insurance Coverages, RFP P43938

Mr. Robinson presented a resolution authorizing the General Manager/CEO or his delegate to enter into a contract for procurement of group health and wellness insurance in the amount of \$47M.

Group health and wellness insurance coverages will be provided to regular full-time employees and certain regular part-time employees. Similar benefits will be provided to eligible contract and retired employees up to age 65.

Basic and voluntary life and AD&D insurance coverages will be provided to active employees and their eligible dependents.

Basic life insurance will be provided to retired employees.

Ms. Ivey said while the Authority is going through this process it is important that staff be inclusive of minority and small businesses. This is a process that I think the Authority could have more inclusion and I'd like to encourage that.

Dr. Edmond said in addition to Ms. Ivey's comment, it would great to see the Authority focus on distributing business to local companies.

Mr. Pond asked how long is the contract.

Mr. Robinson said the contract would be for a term of three (3) base years with two (2), one (1) year options for a total of five (5) years.

Mr. Pond asked has MARTA considered a self-insured program.

Mr. Robinson said MARTA is currently a self-insured agency. Being that the Authority is self-insured, there are fees involved and arrangement between vendor and providers.

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

Resolution Authorizing Execution of a 5-Year Lease with TI Riverwood University, LLC. for 100 University Avenue, Atlanta, GA 30315, RFP P44612

Mrs. Boyd presented a resolution authorizing the General Manager/CEO or his delegate to enter into an agreement executing a five (5) year lease with TI Riverwood University, LLC for 100 University Avenue, Atlanta, GA 30315, RFP P44612.

This lease is to support the Gresham Transportation (GTS) Mobility Contract. The Authority was originally tasked to consider the southwest quadrant within the Perimeter or in Clayton County. Staff was challenged with the amount of parking needed for this operation. Due to parking requirements, staff located a larger facility with a five (5) year term.

MARTA's staff was able to locate 100 University which is ideally located within an industrial area at the I-75/I-85 south connector.

The lease has a sixty-three (63) month term and an estimated cost of \$1.8M over the five (5) year period.

Dr. Edmond said MARTA owns several properties in various areas throughout the city. He asked why couldn't staff utilize these properties opposed to leasing.

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Mrs. Boyd said due to the number of employee and bus vehicles, the Authority needed a facility that included a large parking area. MARTA does have some land that was considered; however, it would have taken approximately one (1) year or more to obtain approval and conduct environmental studies.

Mr. Tomlinson asked are there any security concerns within the facility.

Mrs. Boyd said currently the six (6) acre area is fenced. There is also an electrified fence in which MARTA would remove the electricity.

Mr. Tomlinson asked would GTS or MARTA be responsible for any incidents involving vehicles on site.

Mr. Young said as part of the contract with GTS, the owner would be responsible for carrying an insurance policy that covers general liability issues.

Ms. Ivey asked did GTS have an opportunity to coordinate with MARTA's staff and discuss upcoming plans and to see if they would like to engage during the planning process.

Mr. Parker said the Authority has coordinated with GTS to ensure that the physical space met their requirements in order to execute the contract.

Mr. Young said the Authority had the opportunity to work with GTS on a weekly basis to discuss the facility's upcoming plans.

Ms. Ivey asked has GTS examined the facility.

Mr. Young said GTS has reviewed the drawings but has not physically viewed the facility. GTS is familiar with the facility considering the former client Cummings was previously present on site.

Mr. Frierson said MARTA plans to install \$950,000 worth of improvements in the facility. He asked if the owner would reimburse MARTA \$50,000.

Mrs. Boyd said yes, usually reimbursement from landlords are for the office space. The \$50,000 reimbursement would be for the office space of that site.

Mr. Frierson said permanent fixtures will be installed for such a small amount of reimbursements. He asked will new lighting be part of the installation.

Mr. Young said MARTA would improve the exterior lighting as well as the parking lot strips. The majority of the cost associated with \$950,000 would cover equipment such as maintenance, lifts and air compressors. These are items that the Authority can take once the premises are vacated.

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

Resolution Authorizing Execution of a Parking Lot Lease Agreement with the Downtown Development Authority of Avondale Estates for Real Property Parcel D1123Y

Mrs. Boyd presented a resolution authorizing the General Manager/CEO or his delegate to enter into an agreement to lease the southern portion of Parcel D1123Y to the governmental agency, Downtown Development Authority of Avondale Estates for a fifteen (15) year term.

This parcel is located on the south side of Kensington Station in the city of Decatur. Kensington is a high-capacity station that will not be negatively affected by this lease due to currently underutilized parking at the station.

Parcel D1123Y is a parking lot containing approximately 3.704 acres or 161,338 square feet, of which the southern portion includes 1.52 acres or 66,196 square feet. Parcel D1123Y was originally acquired by MARTA under the FTA Grant No. GA-03- 0008 with 79% federal participation to accommodate MARTA's Phase A Rapid Rail construction of the East Line in 1977. Parcel D1123Y is part of acquisition parcel E383.

The southern portion of the lot is already under holdover lease to the Downtown Development Authority of Avondale Estates to accommodate the parking needs of their building-lease tenant on an adjacent parcel (Department of Juvenile Justice). Both parties wish to extend the use through a new lease agreement.

Parcel D1123Y Lease Fair Market Value was determined by a by a third-party appraiser in July 2018 to ascertain that the annual income to MARTA represents fair market value for the property being leased. The appraised value of this portion of the parcel suggests an initial rent of \$21,061.41/year, or \$315,921.15 with re-appraisal every 5 years over the life of the 15-Year term if no party terminates the lease prior to expiration.

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Mr. Pond asked did MARTA staff reach out to competitors for similar properties.

Mrs. Boyd said staff conducted an appraisal.

Mr. Floyd asked how does the price compare to what was previously paid.

Mrs. Boyd said the price would increase by 35% which include escalations.

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

Resolution Authorizing Execution of Office and Retail Ground Lease Amendments and Easement Modifications for the Sale of Lindbergh Center Project Phase I

Mr. Vallo presented a resolution authorizing the General Manager/CEO or his delegate to authorize the execution of amendments related to the sale of Lindbergh City Center Project Phase I leases from current Lessor Columbia REIT LLC to Rubenstein Partners.

Five (5) amendments are required in order to facilitate the sale of Improved Assets and the assignment of MARTA Ground Leases from Columbia ("Seller") to Rubenstein ("Purchaser"). Sale closing is scheduled to occur in late July or early August 2019.

Three (3) amendments deal with providing notice and cure rights to the mezzanine lender which would provide capital to Rubenstein Partners project finance stack.

Two (2) amendments provided approvals to allow Adrenaline Construction which has already been constructed in the retail space.

Mr. Durrett asked if the resolution was asking to authorize amendments and modifications to allow Rubenstein to take ownership of Carter's initial project.

Mr. Vallo said yes.

Mr. Pond said item #7 on the Agenda Report indicated that MARTA would receive additional compensation providing these benefits. He asked has that been determined.

Mr. Vallo said Rubenstein requested that MARTA extend the ground leases for thirty (30) years. They also requested a form of abatement once AT&T vacates the building. Negotiations are on-going and the Authority will conduct an appraisal. The value of equity

default remedy will be added into the discussion which would be resolved during a future date.

Mr. Durrett asked what is the projected timeline regarding details about the financial arrangement and ground lease modifications.

Mr. Vallo said staff is seeking a counter proposal from Rubenstein Partners. There was a proposal that MARTA presented to Rubenstein, who then had to approach AT&T about using MARTA's overflow space. AT&T has not been responsive.

Mr. Durrett asked would it be realistic to expect completion within this year.

Mr. Vallo said yes, completion will take place within this year.

Mr. Floyd asked if Rubenstein was looking at abatement of the rent.

Mr. Vallo said Rubenstein is looking at abatement of the rent. The corresponding trade would be that employees located in the Annex Building could potentially move into the space. MARTA would get the value for the value in exchange for abatement.

Mr. Floyd asked what is the Annex Building.

Mr. Vallo said the Annex is a 144,000 square foot building south of Lindberg which houses a number of MARTA employees.

Mr. Pond said the Authority would allow Rubenstein to pay a lower rent over a certain period of time. He asked how does that benefit MARTA.

Mr. Vallo said it would reduce the occupancy cost for MARTA to move employees across the street.

Mr. Pond asked if MARTA acquired the space for staffing, how would it pay out.

Mr. Vallo said the payout would be a cash option. An appraisal would determine the value that MARTA would give up and ask for compensation in return. Instead of utilizing space for consideration, the Authority would utilize cash.

Mr. Durrett said this is a discussion of potential negotiations in which staff can present to the Board in a future meeting. Being that there is no financial implication for the current resolution it is recommended to put this conversation on hold.

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

Resolution Authorizing Execution for the Development Agreement for the Disposal of MARTA Parcel D3207, Access Easement Rights Located at 1105 West Peachtree Street, Atlanta, Fulton County, Georgia

Mr. Vallo presented a resolution authorizing the General Manager/CEO or his delegate to enter into a developmental agreement to allow SEI 1105 West Peachtree, LLC permission to construct its mixed-use development project above and around the MARTA tunnel.

The approximately 800,000 square foot mixed use project will bring office space (anchored by Google, and Smith, Gambrell & Russell), condominiums, a hotel and greenspace to Midtown Atlanta. The project will be located between the Arts Center Station and the Midtown Stations which will be built over MARTA's tunnel.

The easement was certified by MARTA Engineering as surplus and no longer necessary for the operation of the system.

SEI 1105 West Peachtree, LLC and MARTA have spent several months disputing the validity and valuation of the easement.

The appraised value of the easement is federally funded in the amount of \$280,000, whereby the FTA was thought to have a 79% interest (\$221,200).

Mr. Tomlinson said the FTA has a 79% interest. He asked would the FTA receive a payback from the federal funds.

Mr. Vallo said yes, \$221,200 would be reimbursed to the FTA.

Mr. Tomlinson asked would the Authority retract any easements.

Mr. Vallo said engineers have certified that the Authority have other access points to service the tunnel. The Authority would retract any easements.

Mr. Parker said this was a construction easement which does not serve a purpose after the completion of construction.

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

Resolution Authorizing Additional Funds for the Renewal of Employee Online Performance Management System Software, RFP P44358

Mr. Talbott presented a resolution authorizing the General Manager/CEO or his delegate to increase the contract value and to ratify MARTA's contractual obligation for the Employee Online Performance Management System Software with SABA Inc.

The Employee Online Management Performance System Software is designed to align the Authority's departmental objectives with its' employee's performance with internal objectives. The Halogen system is used throughout the Authority to perform annual reviews and create development plans for non-represented employees. This automated tool enables the Authority's employees and evaluators to improve administrative time by eliminating the manual paper process. In addition, the Halogen Software provision the ability to track electronic approvals.

This procurement is being funded with Fiscal Year 2020 Local Operating Funds in the amount of \$77,125.12.

Dr. Edmond asked how well is the Authority's current system working.

Mr. Talbott deferred to Luz Borrero.

Mrs. Borrero said the Authority has been using Halogen System for several years to evaluate employees' performances. While the Halogen has been used with great efficiency, there is room for improvement. MARTA would like to have a system that can evaluate a more in-dept an efficient and effective review.

Ms. Ivey thanked Mrs. Borrero for the overview. She asked would staff have enough time to review the system.

Mrs. Borrero said the Authority is currently engaging in a process to conduct an assessment that could be completed during a three (3) month period.

Mr. Floyd asked does Halogen evaluate all MARTA employees.

Mrs. Borrero said yes, all employees are evaluated through the same system.

Mr. Floyd asked how does an online performance management system operate.

Mrs. Borrero said an online performance management system is an electronic system that's available to MARTA employees. The employee initiates the process by establishing a self-performance. The self-performance is routed to the respective supervisor or manager and followed up by a one-on-one meeting throughout the year.

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

Resolution Authorizing the Award of a Contract for the Procurement of Airlink Mobility Manager Maintenance and Support, LOA L44248

Mr. Talbott presented a resolution authorizing the General Manager/CEO or his delegate to enter into a contract for the procurement of Airlink Mobility Manager Maintenance and Support with Sierra Wireless America Inc.

This contract is to extend the contract for two (2) years to support mobile routers used on board for rail vehicles and the entire bus fleet.

The software monitors the status, accessibility and utilization of all gateways and routers on MARTA's buses and rail vehicles.

The Airlink Mobility Manager (AMM) software is used for the Fare Collections, Wi-Fi on Bus and Mobile Ticketing projects. Also, the Apollo camera system and Trapeze Telematics utilize the software. AMM lets the Authority monitor the entire mobile network system to ensure everything is up and running. In addition, the service set identifiers (SSID) on MARTA buses, trains can be changed remotely and mobility vehicles as well as pull reports for cellular connectivity. The features of this software are as follows:

- Deploy, configure and remotely manage any Sierra Wireless gateway or router from Authority's data centers
- Advanced network diagnostics
- Real-time view of entire WI-FI and mobile networks
- Remote troubleshooting and configuration management
- Multi-level user privileges
- Fleet segmentation
- Location-based reporting the Cloud or in data centers

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Ms. Scott asked how was Sierra Wireless selected as the vendor of choice.

Mr. Talbott said in 2014, the original equipment was purchased along with the CCTB Camera system and placed on board. While installing the camera system, staff needed to have means to retrieve the video in real-time or after an event. Sierra Wireless was selected during this process.

Ms. Scott said it was mentioned that Sierra Wireless was a continuing service. She asked who were the previous vendors.

Mr. Talbott said the original procurement was conducted in 2014. Considering the time that the product has been on MARTA's vehicles, the equipment has reached the natural end of lifespan. Staff will be evaluating newer opportunities in the market with anticipation of evaluating in two (2) years.

Mr. Parker said in 2014 the Authority purchased the equipment but did not have arrangements for sufficient support of the equipment. We are at a place where reliability of equipment could be a problem. In order to get to the point of reevaluation, the Authority will let the useful life of the equipment go and replace the equipment with advanced technology.

Briefing – FY2019 April Financials and Key Performance Indicators

Mr. Hutchinson provided an overview of FY2019 April financial highlights and key performance indicators.

Year-to-Date Operations Performance

Net Surplus - \$18.5M which is \$11.8M higher than budget

Net Revenues - \$8.8M higher than revenues

Net Expenses - \$3.0M less than expenditures

Year-to-Date Operations Performance

Revenues - \$11.9 M better than budget

- Sales Tax
- Title Ad Valorem Tax (strong performance)

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Expenses - \$11.3M positive to date

- Salaries and wages – positive
- Contractual Services – higher due to MV Contract (Mobility ridership is higher than budget)
- Capital Charges – have not been fully charged

Current Month Operations Performance

- Net Surplus - \$3.4M which is \$6.4M worse than budget
- Net Revenues - \$0.3M less than revenues
- Net Expenses – \$6.1M less than expenditures

Current Month Operating Revenues and Expenses

Revenues

- Sales tax – slightly negative (seeking an increase in May 2019)
- Federal Assistance – slightly positive

Sales Tax Required to Fund Operating Expenses

- 43%

Net Operating Revenue and Expenses

- 7 out of 10 months surplus of revenues exceeding expenditures

Gross Labor Expenses

- Less than budget

Combined Ridership

- Leveled off in recent months

Bus On-Time Performance

- Continues to be below target budget (bus fleet is performing mechanically well)

Rail On-Time Performance

- Consistently above target

Mobility On-Time Performance

- Below target

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Mr. Pond said part of the problem with Bus On-time Performance has to do with unexpected construction delays along traffic areas. He asked could staff utilize technology applications to communicate such issues.

Mr. Parker said the Authority is aware of constructions issues which impacted the 110 Bus and the Peachtree Corridor. There has been communication between the City of Atlanta, their consultant and MARTA's staff to identify the needs for improvements. It's a challenge that the Authority must attack in order to increase Mobility ridership.

Mr. Pond said there was conversation regarding a Customer Service Advisory Committee. I think this is a great idea. He asked where are we with that process.

Mr. Parker said the Authority has been working with an external stakeholder to bring on a Chief of Customer Experience Officer. That person would lead, coordinate and build the activities around the advisory group to ensure the advisory group is heard.

Ms. Ivey said two top things that I hear often when speaking to constituents, are On-time Bus Performance and Mobility. I want to ensure that staff is looking into to making sure the Authority is addressing these issues, particularly with Mobility. This is becoming a significant issue. Citizens who understand that I'm on MARTA's Board continue to ask me about this matter and hold me accountable. I want to be sure that everyone understands that. I know staff is analyzing numbers and we all know that numbers are accurate. I also want to be sure that staff put forth the effort in what the Authority is doing because, clearly these are some numbers that are not looking well.

Mr. Parker said the Authority has been underperforming On-Time Performance around bus and Mobility. Mrs. Borrero has been looking at some issues related to employment retention and how the Authority is scheduling jobs. We are working diligently to make improvements.

Mr. Frierson said my area of focus was also with Mobility's On-Time Bus Performance. He asked what is the biggest barrier around not having the performance improved.

Mr. Parker said the lease for 100 University Avenue was approved today. Having a second provider will provide the Authority with a large bandwidth which would spread out among two (2) providers. I'd like to ask Mr. Young to provide further details.

Mr. Young said there are three (3) areas that play a key role in Bus On-Time Performance. Operator availability, traffic in the general area and scheduling staff.

Scheduling is the biggest piece. Staff is working closely with MV to analyze and improve that scheduling module.

Other Matters

- a. FY2019 April Performance Indicators (Informational only)

* * *

Adjournment

The meeting of the Business Management Committee adjourned at 11:13 a.m.