

MINUTES

BUSINESS MANAGEMENT COMMITTEE

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

February 27, 2020

The Board of Directors Business Management Committee met on February 27, 2020 at 11:00 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

William "Bill" Floyd

Roderick A. Frierson, **Chair**

Jerry Griffin

Freda B. Hardage

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 Customer Experience Officer Rhonda Allen, Chief of System Safety, Security & Emergency Management/Police Michael Burrows (Acting), Chief of Bus Operations Collie Greenwood, Chief Financial Officer Kevin Hurley (Interim), 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 LaShanda Dawkins, Torrey Kirby (Acting), Gina Major, Dean Mallis, Santiago Osorio, Emil Tzanov and George Wright; Executive Director Paula Nash; Directors John Cochran, David Emory, Jacqueline Holland (Acting), Jonathan Hunt, Donna Jennings and William Taylor; Manager James Pierce; Manager MARTA Board of Directors Rebbie Ellisor-Taylor; Manager Executive Office Administration Tyrene Huff; Sr. Executive Administrator Keri Lee. Others in attendance Adrian Carter, Kristina Garcia-Bunuel, Abebe Girmay, Cedric Griffin, Courtne Middlebrooks, Monty Montgomery, LaTonya Pope and Pamela Smith.

Also in attendance Greg Munden of TranSystems; Keith Parker of Clayton County Citizens Advisory Group and Jim Schmidt of HNTB.

Approval of the January 30, 2020 Business Management Committee Meeting Minutes

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

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

Briefing – Technology Updates

Mr. Emory provided an update on technology within the Authority.

Operation Overview

- **Financial Performance**
 - Within Budget
- **Service Performance**
 - Intermittent Outages with Improving Performance
- **Project Performance**
 - Vendor and Resource Constrained by Controlled
- **Innovation Performance**
 - Building Processes

Internal Facing Initiatives

- **System Upgrades**
 - Multiple Core Systems Upgraded 2020
- **Technology Business Advisory Committee**
 - Bi-Monthly Strategic Advisory Council of Business & Technology Leaders
 - Ten Business Partners Currently Represented
- **Business Process Enhancements (Oracle)**
 - Encumbrance & DBE Tracking Operational July 1
 - Contract Automation Operational Fall 2020
- **Business Insights and Analytics**
 - Deploying Responsive Power BI Dashboards (90+)
 - Implement Standard GTFS Feed – Fall 2020
 - Signing Enhanced GA Tech Data Sharing Agreement

Customer Facing Initiatives

- **CAD / AVL Upgrade (Trapeze)**
 - RFI Currently on the Street
 - Anticipate Subsequent RFP on the Street Spring 2020 with Award in Summer 2020
- **Regional Technology Direction**
 - Awaiting Results of Grant Application for Regional App
 - Developing Consistent Regional Bus Stop Signage Conventions
 - Investigating Integration of PeachPass with Parking Technology
- **Data Quality Improvement Effort**
 - Improved Train Predictions from ~60% to 95% Accuracy
 - Bus Location Accuracy Improvements by July 1
(Prior to new CAD/AVL System)

- BreezeCard Website Update
 - Planned Completion by July 1
 - Reformatted to Coordinate with main Site

- Fare Collection Strategy (Cubit)
 - Launch Breeze Mobile
 - RFP for Automate Fare Collection (AFC) 2.0
 - Upgrade to NFC
 - Implement CRM System
 - Implement Account-Based System
 - Open Payment Acceptance
 - Integrate Breeze & Breeze Mobile
 - Implementation of Fare Capping
 - Deploy BRT Validators
 - Go Live AFC 2.0

Mobile Ticketing Project (Pay for rides using a mobile device)

- Completed
 - Bus Fleet Equipment Functional
 - 1st Lane All Rail Stations
 - Internal Employee Testing

- In Progress
 - Paratransit Fleet Completed by Fall 2020
 - Adding 2nd Lane to all Rail Stations

- Next Steps
 - Single Ride Passes after 2nd Lanes Installed
 - Remaining Pass Types Deployed
 - Paratransit Service to Be Deployed 2nd Half 2020
 - Develop Single Use, Promotional and Integrated Payments
 - Integrate System with Existing Breeze Card 2021

- (Audio Visual Information Systems) AVIS Implementation Status
 - Project is 77% Complete
 - Installation has Started at 36 of 38 Stations
 - 151 of 325 Signs Installed
 - 3793 of 4600 Speakers Installed
 - 65% State Funded

Mr. Floyd asked does the MARTA Application (App) have the same route information in the rail stations.

Mr. Emory said yes, the MARTA App has the same information that is listed on the signs in stations. It is important for the Authority to ensure that everyone including third-party companies have access to the information through public gateways.

Mr. Floyd asked does anyone track the usage of the MARTA App.

Mr. Emory said yes, MARTA has the ability to track the number of downloads.

Mr. Tomlinson thanked Mr. Emory for a great presentation. He said MARTA has the capability to use the AVIS system as an emergency wayfinding. This system would give the Authority real time ability to react to emergencies. Regionally, the goal is to get better information to feed the AVIS system as well as third-party companies. The ATL Board and staff will be discussing various App providers during the March 5th ATL Committee meeting. It would be a pleasure to provide a detailed copy of the Regional Bus Stop Signage presentation to the Authority.

Mr. Parker thanked Mr. Emory for his strategic vision and the willingness to correct issues that are important to MARTA customers.

Resolution Authorizing a Modification in Contractual Authorization for the Authority Wide Wireless Communication Device and Services, P43091

Mr. Kirby presented a resolution authorizing the General Manager/CEO or his delegate to increase the contract value for the Authority Wide Wireless Communication Devices and Services with AT&T in the amount of \$291,847.02.

The request for additional services include the AT&T Smart Phone Unlimited Plan. These additional funds would support the remaining months of the contract which will expire June 30, 2022.

The AT&T Smart Phone Unlimited Plan for 338 body cameras was initially added for Police Services to provide emergency support during the Super Bowl. This Smart Phone Unlimited Plan service is required to enable the body camera devices to function and are inserted into MARTA Police vests. This service plan is unlimited and provides optimal response time from local, regional and national emergency units that is needed for both daily operations and planned events.

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

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Resolution Authorizing Renewal of Excess Workers' Compensation Insurance Coverage

Mrs. Jennings presented a resolution authorizing the General Manager/CEO or his delegate to effect placement of MARTA's excess workers' compensation insurance coverage for a one-year period from March 12, 2020 to March 12, 2021 based on the proposals received by MARTA's insurance broker of record, MARSH, for a total cost of \$220,000.

The purpose of the resolution is to renew the Authority's excess workers' compensation insurance coverage for the policy period indicated above.

As a qualified self-insurer, MARTA is required by the State of Georgia to maintain excess insurance coverage.

The Authority currently has in place an excess policy with a \$2 million dollar per occurrence self-insured retention.

MARSH is the Authority's Insurance Broker of Record under RFP 36396.

Mrs. Hardage asked has MARTA had to use this policy before.

Mrs. Jennings said no, however, there is still a price increase for the policy.

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

Resolution Authorizing the Award of a Contract for the Procurement of Bond Counsel Services, RFP P43586-A

Mr. Hurley presented a resolution authorizing the General manager/CEO or his delegate to enter into a contract for the procurement of Bond Counsel Services, RFP P43586-A with Holland and Knight, LLP.

The services to be performed under this Contract are in support of the Authority's issuance of Sales tax Revenue Bonds, Floating Rate Notes, Commercial Paper and other financing instruments.

This is a new contract for recurring services.

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The contract would consist of five (5) base years with two (2), one (1) year options not to exceed \$175,000 funded by Financial Planning Project 31106.

Mr. Pond asked if there was a timing issue where the additional sales tax from the City of Atlanta was not included to help the rates.

Mr. Hurley said yes, the Authority had only gone through the validation process and could not include the City of Atlanta sales tax. With the passing of the 15th Amendment, the Authority can now initiate that process.

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

Briefing – Bond Series 2020-A

Mr. Hurley provided an update on Bond Series 2020A.

Current Environment

- Favorable Market Condition for Long-term Interest Rates
 - Preliminary Indicative Rate Range – 2.85% to 3.50%
- 15th Amendment Approval Impact
 - Jurisdiction Actions required by February 21st
 - Bond Term – moves from 27 years to 30 years
 - Bonds must mature prior to July 1, 2057 rather than July 1, 2047
- More MARTA City of Atlanta Sales Tax is not pledged until More MARTA Bond Validation at a future date.

Series 2020A New Money Overview - \$130M to \$140M

- Bond Proceeds reimburse expenditures from:
 - \$63M Tunnel Ventilation; train control system upgrades; UPS Lakewood/Dunwoody/Medical Center
 - \$28M CQ310 & CQ311 Life Extension; Bus Procurement; Rail Car Replacement Program
 - \$14M Facilities Upgrade Program. Hamilton CNG Facility; Avondale Intermodal Parking
 - \$8M Track Renovations, Clayton County High Capacity Transit; Clifton Corridor; I- 20 East Corridor
- Issue Size - \$130 to \$140M or Expenditures Amount
- Structure – 30-year Fixed Rate Bonds
- Solicitation Type – Competitive Bid

- Pricing and Bond Approval – April 9, 2020
- Closing Date – April 23, 2020

Series 2020A Bond Issuance Key Dates (Milestones)

- February 27, 2019 – Business Management Committee to present plan of finance
- March 11, 2020 – Rating agency conference calls
- March 20, 2020 – Receive credit ratings
- March 24, 2020 – Post Notice of Sale
- April 09, 2020 – Bond Pricing/Sale 10:30am/ Brief Board on pricing results at Work Session 12 noon/ Present Board Resolution for approval at Board meeting 1:30pm
- Closing

Board of Director Actions

- Approve pricing, sale, issuance and delivery of new money Series 2020A Bonds at April 9th Board Meeting

Briefing – FY2020 December Financial Highlights and Key Performance Indicators

Year-To-Date Operations Performance (December 31, 2019)

- Net Revenues exceeded budget by \$10.9M
- Net Expenses exceeded budget by \$.6M
- Net Surplus (Deficit)

Year-To-Date Operating Revenue and Expenses (December 31, 2019)

- Revenues
 - Sales Tax \$130.7M
 - Title Ad Valorem Tax \$15.9M
 - Passenger Revenue \$65.9M
- Expenses
 - Salaries & Wages \$121.7M
 - Contractual Services \$40.1M
(litigation, casualty and liability)

Overtime Expenses

- Declining since June 2019

Mr. Pond asked what specifically is causing the decrease in overtime.

Mr. Hurley said standard business process changes within the Authority is causing the decrease in overtime. The MARTA Police Department play a key role in this process.

Sales Tax Required to Fund Operating Expenses (December 31, 2019)

- 42% sales tax to support operating expenses (in target)

Mr. Durrett said it is good to see that passenger revenue is increasing and it would be great to see the correlation between passenger revenue and ridership.

December FY20 Financial Performance Board Presentation

Net Operating Revenue and Expenses

- Expenses are lower than revenues

Cumulative Net Operating Revenue and Expenses

- Revenues are greater than expenses

Sales and Ad Valorem Tax Revenue

- Actuals are greater than budget

Cumulative Sales and Ad Valorem Tax Revenue

- Actuals are greater than budget and prior year

Cumulative Net Operating Revenue

- Actuals are greater than forecast and prior year

Cumulative Net Operating Expenses

- Actuals are less than budget and greater than prior year

Gross Labor Expenses

- Actuals are less than budget and greater than prior year

Cumulative Gross Labor Expenses

- Actuals are greater than prior year and less than budget

Other Matters

- a. FY 2020 December Financial Highlights and Key Performance Indicators (Informational only)
- b. Technology Operational Overview (Informational only)

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Adjournment

The meeting of the Business Management Committee adjourned at 11:57 a.m.