

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

The Board of Directors Business Management Committee met on January 31, 2019 at 10:31 a.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Roberta Abdul-Salaam
Robert F. Dallas
Frederick L. Daniels, Chair
Jim Durrett
Roderick E. Edmond
William 'Bill' Floyd
Ryan C. Glover
Jerry Griffin
Freda B. Hardage
John 'Al' Pond
Christopher S. Tomlinson*

MARTA officials in attendance were: General Manager/ CEO Jeffrey A. Parker; C-Suite Team Members Chief Administrative Officer Luz Borrero, Chief Financial Officer Gordon L. Hutchinson, Chief Counsel Elizabeth O'Neill and Chief Rail Ops/AGM Capital Programs & Dev David Springstead; AGMs LaShanda Dawkins, Virgil Fludd, Kirk Talbott and Emil Tzanov; Chief Information Security Officer Dean Mallis; Executive Director Paula Nash (Interim); Directors Rhonda Allen, John Cochran (Acting), Lisa DeGrace, Robert Goodwin, Jonathan Hunt and Donna Jennings; Managers Davis Allen, Stephany Fisher and Jacqueline Holland; Manager Executive Office Administration Tyrene Huff; Sr. Executive Administrator Keri Lee; Others in attendance Adrien Carter, Alphonse Eugene, Abebe Girmay, Courtne Middlebrooks and LaTonya Pope.

Also in attendance Jasper de Lange and Cara Vojdani of Arcadis, John Saxon and Jim Schmidt of HNTB and David Wickert of AJC.

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

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Approval of the November 28, 2018 Business Management Committee Meeting Minutes

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

On behalf of the MARTA Family, Mr. Parker recognized Chief Contract Procurement Officer, Lisa DeGrace retiring after twenty-six (26) years of service.

Resolution Authorizing the Disposal of MARTA Parcel D2106 Located on Brooks Avenue, Atlanta, Fulton County, GA

Mr. Vallo presented this resolution authorizing the General Manager/CEO or his delegate to advertise and sell the property rights owned by the Authority located on Brooks Avenue identified as parcel D2106.

The parcel was acquired by MARTA as part of the assets of the Atlanta Transit System in 1972.

Interest in property has been expressed by a prospective purchaser.

The sale of these property rights will recover a portion of the real estate investment made by the Authority. The minimum bid amount is \$6,200.

Mr. Pond said \$6,200 for a half acre in town seems relatively low.

Mr. Daniels asked if the parcel was appraised.

Mr. Vallo said yes, the parcel has been appraised. \$6,200 is the reserved price based upon the land requiring a significant amount of grading.

Mr. Dallas asked if the parcel is undevelopable given the flood plain characteristic and if the adjacent home owners are interested in developing and combing the parcel into a larger parcel.

Mr. Vallo said the parcel would be used for green space.

Ms. Abdul-Salaam said a potential purchaser inquired about the parcel in 2013. She asked if that individual would be granted the right of first refusal.

Mr. Vallo said a potential purchaser did inquire about the parcel in 2013; however, MARTA would advertise as a public listing.

Ms. Abdul-Salaam asked could the price increase.

Mr. Vallo responded, yes.

Ms. Abdul-Salaam asked would the purchaser be required to follow with the current housing program.

Mr. Vallo said yes. MARTA's preference is to select a purchaser who would support a work force housing product.

Ms. Abdul-Salaam asked if stipulations were allowed.

Mr. Vallo said he would follow up regarding stipulations.

Ms. Abdul-Salaam asked if the green space would be used for the referenced parcel.

Mr. Vallo said yes. The adjacent owners indicated that they would potentially use the property for green space and transfer partial density east of the parcel they currently own.

On motion by Mr. Durrett seconded by Mrs. Hardage, the resolution was unanimously approved by a vote of 10 to 0, with 11* members present.

Resolution Authorizing the Renewal of MARTA's Excess Operating Liability Insurance Program

Mrs. Jennings presented this resolution authorizing the renewal of MARTA's excess operating liability insurance program.

The purpose of the resolution is to renew the Authority's excess liability insurance coverage for 2019. MARTA obtained an extension of the current policies through February 15, 2019.

The Authority currently has in place policies for liability coverage with limits of \$145M excess of a \$5M occurrence self-insured retention.

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The cost of the liability insurance program increased due to the adverse large claim activity over the last several months.

The Authority's Insurance Broker of Record, MARSH USA, canvassed the insurance markets that provide coverage for retail/transit authorities in the US, London and Bermuda.

On motion by Mr. Griffin seconded by Mr. Durrett, the resolution was unanimously approved by a vote of 10 to 0, with 11* members present.

Resolution to Increase the Contractual Authorization for Outside Counsel Services, RFP P36180

Ms. O'Neill presented this resolution to increase the contractual authorization by \$7M to \$19M.

In December of 2015 the MARTA Board of Directors approved the award of a contract for the General Counsel and other Legal Services, RFP P36180. The award was made pursuant to a competitive process seeking legal counsel to provide a range of services to the Authority, including, but not limited to, employment and labor law, real estate, commercial litigation and general corporate matters, legislation and governmental practice and finance matters.

Various scopes of work were awarded to over 18 firms based on the areas of expertise within those firms. The term of the contract was five years with a total awarded amount no to exceed twelve million dollars.

MARTA is entering into the fourth year of this five-year contract and needs further contractual authorization for legal services. The estimate for contractual authorization proposed in 2015 was based on prior years' utilization of outside counsel services. Prior to 2015 solicitation outside counsel services were procured through the General Counsel contract and did not have a contractual value limitation.

During the past three years the Authority has faced increased litigation expenses in a number of different areas. Outside counsel services have been necessary to handle complicated bid protests and contract award challenges.

Additionally, the Authority's Transit Oriented Development program has generated several complicated real estate transactions necessitating the utilization of outside counsel services.

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The outsourcing of Mobility services resulted in two lengthy arbitration proceedings involving the Amalgamated Transit Union requiring the utilization of labor counsel and specialized 13(c) counsel.

Mr. Floyd asked does the contract include several firms.

Ms. O'Neill said yes, eighteen (18) firms are included in the contract.

On motion by Mr. Durrett seconded by Mrs. Hardage, the resolution was unanimously approved by a vote of 10 to 0, with 11* members present.

Briefing – FY2019 November Financials and Key Performance Indicators

Mr. Hutchinson presented an update on FY2019 November financial and key performance indicators.

Year-to-Date Operations Performance November 30, 2018

- Net Revenues – 210.7
- Net Surplus – 193.3
- Net Surplus (Deficit) – 17.4 higher than budget

Year-to-Date Operating Revenues and Expenses November 30, 2018

- Revenues – 210.7
 - Sales Tax – 103.7
 - Title Ad Valorem Tax – 12.7
 - Federal Expenses – 27.5
- Expenses
 - Salaries & Wages – 91.3 (unfilled positions)
 - Overtime – 16.7
- Benefits
 - Healthcare Rep/NonRep – 25.9
 - Pension Rep/NonRep – 11.8
 - Workers Compensation Losses – 2.6
 - Other Benefits – 9.6

Current Month Operations Performance November 30, 2018

- Net Revenues – 43.0
- Net Surplus – 42.5
- Net Surplus (Deficit) – 0.5 higher than budget

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Mr. Tomlinson asked what is MARTA's Fiscal Year time period.

Mr. Hutchinson said MARTA's Fiscal Year ends June 30th.

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Adjournment

The meeting of the Operations Committee adjourned at 11:17 a.m.