

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

**January 31, 2011**

The Board of Directors Business Management Committee met on January 31, 2011 at 10:03 a.m. in the Board Room on the 6<sup>th</sup> Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

**Board Members Present**

Robert L. Ashe, III  
Harold Buckley, Sr.  
Frederick L. Daniels, Jr.  
Jim Durrett  
Roderick E. Edmond  
Noni Ellison-Southall  
Barbara Babbbbit Kaufman

MARTA officials in attendance were: General Manager/CEO Beverly A. Scott; Deputy General Manager/COO Dwight A. Ferrell; AGMs Davis Allen, Deborah Dawson, Wanda Dunham, Ben Graham, Mary Ann Jackson, Jonnie Keith, Cheryl King, Rich Krisak, Ryland McClendon, Elizabeth O'Neill, Gary Pritchett and Tim White (Acting); Sr. Directors Rhonda Briggins-Ridley, Johnny Dunning, Jr. and Kevin Hurley; Directors Lowell "Rip" Detamore, Reginald Diamond, Lyle Harris, , Donna Jennings, Walter Jones, Jennifer Jinadu-Wright and Carol Smith; Managers Donna DeJesus, Cara Hodgson, Robert H. Thomas and Marvin Toliver; Executive Manager to the Board Rebbie Ellisor-Taylor; Sr. Executive Administrator Tyra J. Wiltz; Finance Administrative Analyst Tracy Kincaid; Others in attendance Arnold Campbell, Kenya Hammond, Leeshu Kennedy, Anthony Pines and Srinath Remala.

Also in attendance Charles Pursley, Jr. of Pursley, Lowery and Meeks; Matt Pollack of MATC; Subash Mundle.

**Approval of the November 29, 2010 Business Management Committee Meeting Minutes**

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On motion by Mr. Durrett seconded by Mrs. Kaufman, the minutes were unanimously approved by a vote of 4 to 0, with 4 members present.

**Briefing – FY 2011 Midyear Budget Review**

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Mr. Allen briefed the Committee on the FY 2011 Midyear Budget Review.

*FY 2011 Budget Development – Difficult Choices:*

- Develop a responsible multi-year financial plan (FY 2011-2013)
- Stabilize MARTA into August 2012 Transportation Referendum (FY 2013)
- Within extremely limited resources, position MARTA for future regional transit expansion and growth (Variable-Based Fares and “New Starts”)

*FY 2011 Capital Budget Assumptions*

- Projects with contracts ready to close out will be completed and closed
- Projects with contract commitments will be completed
- Safety critical and regulatory projects will be completed as planned
- Train control projects are critical to the safe operation of our rail transit system and will be completed as planned
- Projects with grant funds will proceed as planned
- Projects with grant funds will proceed as planned
- Only essential planning work needed to prepare MARTA transit expansion plans (CoA, DeKalb, Fulton) and Variable-Based Fares (VBF)
- 50% of Sales Tax used for Capital
- Sales Tax receipts based on April 2010 forecast from Georgia State University (GSU) Economic Forecast Center
- State of Good Repair Projects are subject to varying levels of deferral due to projected budget shortfalls

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- Projects consisting of initiatives to improve operating efficiency, increase ridership, expand service or increase operating capacity are subject to greater levels of deferral due to projected budget shortfalls
- Federal grants coincide with project execution in the ARC Regional Plan
- Influx of an additional \$5M in ARRA Funding to the Capital Program
- Be extremely proactive regarding new Federal funding opportunities

### *Major Impacts – FY 2011 Budget*

- Bus Service Reductions – Effective September 25, 2010
  - 131 to 91 Bus Routes
    - 25 “Lifeline” routes (minimum 60 minute frequency)
  - -10.2% Reduction in bus hours
  - +4.6% MARTA Mobility service increase for seniors and disabled
  - 86% Current riders still served
  - No Braves or Lakewood Amphitheater shuttles
  - No small bus service
  - Reduces MARTA Bus service coverage from 1,479 miles to 1,034 miles – 30.1%
    - Service coverage in Fulton County was reduced by 31%
    - Service coverage in DeKalb County was reduced by 29%
    - Service coverage in the City of Atlanta was reduced by 32%
- Customer Impacts
  - Breeze Card Services Center
    - FY 2011 Hours: Monday – Friday 8 a.m. – 5 p.m.; no weekend or holiday service
    - Alternatives for Customer Communications: MARTA website, Ride Stores and IVR (check balance)
  - Five Points Information Booth
    - FY 2011 Hours: Monday – Friday 7 a.m. – 7 p.m.; no weekend or holiday service

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- Alternatives for Customer Communications: Station Agents and MARTA Police
- Ride Store Closures
  - Lenox and Lindbergh closing
  - Reduced Fare Office open at Lindbergh
  - Airport and Five Points Ride Stores open
- Public Restroom Closures
  - Restrooms open at nine (9) major transfer and end-of-line stations
  - Five Points staffed and open with reduced hours
    - 6 a.m. – 7 p.m. on weekdays
    - 9 a.m. – 7 p.m. on weekends
- Human Resources
  - No base increase in wages/benefits budgeted for any MARTA employees through FY 2013
  - Continuation of 10-day furlough for non-represented employees through FY 2013
  - Continuation of no merit increase for non-represented employees FY 2013
  - Increased healthcare for non-represented employees and pension contributions
  - No cost increase collective bargaining settlement
  - Staffing – 734 positions eliminated (-13.9%) from FY 2011 Budget
    - 543 Represented
    - 191 Non-Represented
    - 300+ Employee Layoffs (estimated)
- Reduction in Force (RIF) Process – Effective Dates
  - Non-Represented Employees
    - Non-Operations Support – June 29, 2010
    - Operations Support – September 24, 2010
  - Represented Employees – September 24, 2010

*Key FY 2012 Budget Considerations*

- Hold the line on expenses, operating and capital plans consistent with the overall MARTA 3-year financial plan (FY 2010-2013)
  - Prioritize closing the projected FY 2013 gap of \$12.87M
  - First, rebuild reserves to statutory/Board policy levels
  - Systematically revisit capital project prioritization as part of the annual budget review process
- FY 2012 “zero-based” departmental budget reviews
- Launch serious “new revenue” generation initiative
- Steady state bus and rail transit service levels – update Mobility growth assumptions
- Steady state staffing levels; no base increases – revisit furlough continuation
- Re-assess fares strategy in view of passenger ridership and revenue data and future VBF implementation plans
- Updated GSU Economic Forecasting Center sales tax projections expected in February – 20-year Financial Sustainability assessment will be completed by March 2011 (Board briefings planned with independent economists/financial consultants)
- Revisit and update all MARTA Cost Sharing and Pricing Arrangements with Regional Partners in FY 2011-12
- Update Federal Funding Assumptions based on best available information – current financial plan assumes “steady state” Federal formula funding levels

*Budget Development Schedule*

- Midyear Budget Review/FY 2012 Key Considerations – January 2011
- Committee Discussions re: Transit Service Levels & Plans, Fares & Revenues and the Capital Program – February/March 2011
- Preliminary Budget Proposal – April 2011
- Recommended Budget/Public Hearings – May 2011
- Budget Adoption – June 2011

**Fiscal YTD Financial KPI Outcomes (November YTD)**

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Mr. Jones briefed the Committee on MARTA's Financial KPI outcomes for November 2010 and November Fiscal Year-to-Date 2011.

*November Budget Variance*

The budget variance for the month of November was favorable at -2.00% under budget, mostly due to favorable variances in labor costs (vacancies). The fiscal year-to-date (July through November 2010) budget variance remains favorable at -9.61% under budget, mostly due to favorable variances in labor (vacancies), propulsion, and liability and advertising costs.

*Combined Ridership*

Combined Ridership for the month of November was 11.2M unlinked passenger boardings, compared to a forecasted total of 9.3M or 20.5% over the forecast. The fiscal year-to-date (July through November 2010) system-wide total of 61.9M unlinked passenger trips exceeded the forecast of 54.0M by 7.9M or 14.7%.

*Bus Cost per Passenger Trip*

The Cost per Bus Passenger Trip of \$3.30 in November was better than the monthly forecast of \$3.84 by \$0.54 or 14.1%, due to a favorable variance in labor cost (vacancies) and Bus ridership exceeding the monthly forecast by 590.4K unlinked trips, or 13.7%. The fiscal year-to-date (July through November 2010) Cost per Bus Passenger Trip of \$3.03 is better than the forecasted \$3.76 by \$0.73 or 19.4%. This better than planned performance is due, in part, to Bus boardings exceeding forecast by 2.9M unlinked trips or 11.5%.

*Rail Cost per Passenger Trip*

The Cost per Rail Passenger Trip of \$2.10 in November was better than the monthly forecast of \$2.72 by \$0.62 or 22.8% due to a favorable variance in labor cost (vacancies) and Rail ridership exceeding the monthly forecast by 1.3M unlinked trips, or 26.4%. The fiscal year-to-date (July through November 2010) Cost per Rail Passenger Trip of \$2.04 is better than the forecasted \$2.66 by \$0.62, or 23.3%. This better than planned performance is due, in part, to Rail boardings exceeding forecast by 5.0M unlinked trips or 17.4%

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### MARTA Mobility Cost per Passenger Trip

The Cost per MARTA Mobility Passenger Trip of \$31.44 in November was better than the planned rate of \$43.27 by \$11.83, or 27.3%. This performance was due to a favorable variance in labor costs and MARTA Mobility ridership exceeding the monthly forecast by 11.1K unlinked trips, or 34.4%. The fiscal year-to-date (July through November 2010) Cost per MARTA Mobility Passenger Trip of \$31.97 is better than the forecasted \$42.37 by \$10.40, or 24.6%. This better than planned performance is due, in part, to Mobility boardings exceeding forecast by 35.5K unlinked trips or 19.0%.

### **Other Matters**

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Mr. Daniels referenced Tab 4(a) of the Committee books – Business Management Committee Look-A-Head – asking that Board Members review these items.

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Mr. Allen referenced the following informational reports under Tab 4 (b/c) of the Committee books:

- Financial Markets Update
- Ridership Update

### **Adjournment**

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The meeting of the Business Management Committee adjourned at 11:19 a.m.

Respectfully submitted,

Kellee N. Mobley  
Sr. Executive Administrator to the Board