

## MINUTES

### WORK SESSION OF THE BOARD OF DIRECTORS

### METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

March 5, 2015

11:55 p.m.

#### Board Members Present

Roberta Abdul-Salaam  
Juanita Jones Abernathy  
Robert L. Ashe III  
Harold Buckley, Sr.  
Frederick L. Daniels, Jr.  
Jerry Griffin  
Freda B. Hardage  
Christopher Tomlinson\*

#### Staff Members Present

Keith T. Parker, AICP  
Richard Krisak  
Rukiya Eaddy  
Edward Johnson  
Elizabeth O'Neill  
Gordon Hutchinson  
Robin Henry  
Ming Hsi  
Reginald Mason  
Ryland McClendon  
Donald Williams (Acting)  
Davis Allen  
Joseph Erves  
Abebe Girmay  
Lyle Harris  
Kelly Hayden  
Ferdinand Risco

Also in attendance was Charles Pursley, Jr. of Pursley Friese Torgrimson, LLP; Dr. Mike Meyers; Lisa Daniels; Kathy Posey; Tom Lauth; Woody Vaughn.

#### Chairman's Report

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#### Upcoming Meetings

Thursday, March 26, 2015

- Operations & Safety Committee – 10:00 a.m.
- Business Management Committee (immediately following)

Thursday, April 2, 2015

- Planning & External Relations Committee – 10:30 a.m.
- Board – 1:30 p.m.

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

**Approval of the February 5, 2015 Work Session Minutes**

On motion by Mr. Buckley seconded by Mrs. Abdul-Salaam the minutes were approved by a vote of 7 to 0, with 8\* members present.

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Chairman Ashe reported that MARTA has several bills on the House floor today, namely:

- The Transportation Funding Bill (HB 170)
- The MARTA bill lifting the 50/50

**General Manager/CEO Report**

**Comprehensive Operations Analysis (COA) – D. Williams/Dr. Mike Meyer**

The presentation focused on MARTA Mobility, rail service and next steps.

Goals:

- Improve transit operations efficiency
- Identify alternative service strategies
- Attract “choice” riders and provide improved service to transit dependent riders
- Develop sustainable future service plans
- Connect communities

Looking at the overall perspective of the COA led to such issues as:

- Integrated system (e.g., the importance of transfers)
- Easy-to-understand service concept (e.g., service tiers)
- Passenger information and support (e.g. one call-in center)
- System perspective on marketing and branding

Mobility Goals

- Provide reliable, on-time transportation service to those with mobility impairments unable to ride MARTA’s fixed route services within the required service area
- Improve fixed route service alignments to reduce Mobility needs
- Utilize innovative services and service partners to meet hourly fluctuations in demand and increase cost effectiveness
- Enhance regional mobility and last mile connectivity by coordinating with regional agencies and local jurisdictions to improve local accessibility

These four goals drove the analysis. Analysis of the data shows there are some fairly well-targeted destinations for people using Mobility, i.e., dialysis centers, Hands for Hire, Fraser Center, grocery stores, etc. This was important information to overlap with the fixed route service to see where there are current services and opportunities to provide future service. The study resulted in three areas of recommendations:

- **Operations Efficiencies**
  - reduce non-revenue miles via garage location
  - one-call service center
  - incentivize conditionally eligible riders to take fixed route services
  - provide supplemental services to address demand peaks
  - promote infrastructure improvements for conditionally eligible riders
  - conduct in-person functional eligibility assessments
  - expand travel training program
  - enhance software and training
  - promote Department of Human Services coordination
  - revise cancellation and no-show policies
- **Client Satisfaction and Accessibility Options**
  - enhance on-time performance and communication
  - improve sidewalk & curb infrastructure
  - promote regional coordination
  - enhance driver and rider training
- **Employee Turnover and Absenteeism**
  - celebrate the multi-dimensional difficulty of being a paratransit operator throughout the agency and support this by maintaining an equitable distribution of new equipment, attention and praise between rail, fixed-route and Mobility staff to elevate morale
  - match Mobility employees' salaries to that of equivalent fixed-route drivers' salaries
  - Consider instituting raises after employees achieve certain safety and tenure milestones

#### **Example of Systems Integration**

- Route Mobility trips via fixed route bus or rail, if appropriate
- One-call center
- Serve major Mobility destinations with improved fixed route service
- Importance of access to vehicle and thus partnership with communities
- Regional economies of scale

**Rail Recommendation Areas**

- Headways (by time period)
- Operations (short-turns) and incident management
- Vehicle maintenance (important for reliability of operations)
- Station amenities
- Passenger information systems
- Tie to TOD

**Next Steps**

- Finalize Report
  - Financial analysis and programming
  - Recommendations
- Provide a briefing for stakeholders
- Provide a briefing for the MARTA Board
- Adoption of COA recommendations
- Develop transit development plan
- Implement as funding becomes available

*Resolution Authorizing the Rejection of all Proposals Received for the Procurement of MARTA HR/Payroll Services Optimization, RFP P31773 – D. Allen*

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HR/Payroll Optimization represents Initiative #4 of MARTA's Transformation Road Map.

The functional area of staff that would use this initiative is:

- Human Resources
- Accounting/Payroll
- Information Systems
- Operations

The initiative goals and objectives

- Reduce current costs to perform HR and payroll functions, while maintaining or enhancing service currently available to employees and stakeholders and
- Shift focus from administrative and transactional work activities to efforts around the human capital strategic transformation effort

**Project Timeline and Milestones**

- July 2013 Project Kickoff
- Aug-Sept 2013 Document processes and ongoing activities
- Sept-Oct 2013 Evaluate market/vendor showcase (approximately 17 vendors attended)
- October 2013 Recommend solicitation to MTI Executive Steering Committee
- November 2013 Business Management Committee approves request to solicit
- Dec 2013-June 2014 Develop HR/Payroll Sourcing RFP
- July 2014 Issue RFP
- August 2014 Receive proposal responses
- Sept-Oct 2014 Respond to vendor questions/evaluate responses/short-list
- November 2014 Vendor oral presentations
- December 2014 Submit recommendation to MTI Executive Steering Committee

MARTA received three proposals for consideration in response to the RFP:

- Automatic Data Processing, Inc. (ADP)
- Tata America International Corp. (TCS)
- Workday

**Evaluation and Recommendations**

- The SEC evaluated the proposals and eliminated Workday due to their noncompliance in using MARTA's agreed upon contract. Also, for their lack of response to ¼ to ½ of the requirements.
- ADP proposed an essentially turnkey approach using their own technological solution, processing essentially all HR and Payroll transactions and leaving a small, but still significant requirement for internal MARTA staffing
- TCS proposed MARTA retain Oracle HR/Payroll platform, adding proprietary applications to increase productivity, processing essentially all HR and Payroll transactions and leaving a significant requirement for internal MARTA staff. TCS further proposed two alternatives for delivering their solution – one in which all work was performed within the USA and another where the large majority of transactions would be processed off-shore.

The primary purpose of initiating the RFP was to reduce MARTA's costs in the administration of HR/Payroll. However, the pricing submitted by the finalist firms exceeded both the KPMG projected market cost and MARTA's current cost.

**Final Recommendation**

- The SEC concluded its evaluation with a recommendation to the MTI Executive Steering Committee that neither of the proposals as submitted by ADP and TCS be pursued by the Authority. This recommendation has been approved by the MTI Executive Steering Committee.

Mr. Allen informed Board members that a resolution would be on today's Agenda recommending that the Board reject all bids.

Mr. Parker thanked Mr. Allen and team for their work on this initiative; noting that they were very methodical in their approach and a fair comparison was done. In addition, MARTA's internal staff has become much more efficient.

Mr. Parker further noted that moving forward, the Board should expect to see a possible RFP on Paratransit while management concurrently works with the Union on their contract. Additionally, the Board should soon see something on parking proposals.

***Resolution Authorizing the Issuance, Sale, Execution and Delivery of Refunding Series 2016A - \$95M – K. Hurley***

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Mr. Hurley introduced Financial Advisors: Lisa Daniels, Kathy Posey, Tom Lauth and Woody Vaughn.

Mr. Hurley discussed the refunding of the Series 2006A Bonds - \$90M – 5% Coupon.

As discussed in a previous meeting, the Series 2006A bonds are not currently callable, which means MARTA cannot refund them until July 1, 2016. Staff has identified a forward delivery direct placement structure which in essence allows MARTA to lock in low rates on a loan that begins July 1, 2016. This will result in debt service savings. The refunding will be on parity with the third wing trust indenture. The current term on the bonds is four years. The new bonds will become 2016A bonds. Bids have been received from six (6) banks (solicitations were sent to 13 perspective banks). The winning bid is from Wells Fargo at a

rate of 2.3%. An all-in rate of 2.36% - less than half of what MARTA is currently paying. MARTA will save a present value debt service of \$5.7M, which equates to 6.93% of the refunding bonds. Restructuring will give MARTA an additional \$13M in debt service capacity. Closing will take place July 1, 2016.

Mr. Hurley said a Resolution would be on today's Agenda to approve a bond purchase agreement with Wells Fargo for \$90,260,000.

*Resolution Authorizing Supplemental Payments to Retirees of the MARTA/ATU Local 732 Employees Retirement Plan – G. Hutchinson*

MARTA provides a post-retirement healthcare benefit for its long-serving represented retirees to age 65. Prior to this most recent contract, it was provided free of charge. In today's time, less and less employers provide this benefit. As a first step, MARTA is introducing a premium to get started. The Union Pension Plan have over ½ billion in assets. The Plan currently sits at approximately 118% funding ratio. As part of negotiations, MARTA will pay a stepped-payment over the next three years to subsidize the cost of health insurance commencing July 1, 2015 and ending June 30, 2018. This will not cause any stress to the Plan.

The Board will be asked today for approval due to this not being included in the original contract.

Chairman Ashe stated that he has some discomfort with some of the language and requested an extension on this item.

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On motion by Mrs. Hardage seconded by Mr. Daniels, the Board unanimously agreed by a vote of 7 to 0, with 8\* members present to go into Executive Session to discuss pending litigation at 12:59 p.m.

On motion by Mr. Griffin seconded by Mr. Daniels, the Board unanimously agreed by a vote of 7 to 0, with 8\* members present to adjourn the Executive Session at 1:29 p.m.

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**Work Session**  
**3/5/15**  
**Page 8**

**Adjournment**

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The meeting of the MARTA Board of Directors adjourned at 1:29 p.m.