

MINUTES

WORK SESSION OF THE BOARD OF DIRECTORS

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

June 4, 2015

12:00 p.m.

Board Members Present

Roberta Abdul-Salaam
Robert L. Ashe III
Harold Buckley, Sr.
Robert F. Dallas
Frederick L. Daniels, Jr.
Jim Durrett
Roderick E. Edmond
Jerry R. Griffin
Freda B. Hardage
Christopher Tomlinson

Staff Members Present

Keith T. Parker, AICP
Richard Krisak
Elizabeth O'Neill
Edward Johnson
Gordon Hutchinson
Wanda Dunham
Robin Henry
Ming Hsi
Reginald Mason
Ryland McClendon
Terry Thompson
Donald Williams (Acting)
Jonathan Hunt
Amanda Rhein
Ferdinand Risco
Davis Allen
Tom Beebe
Lyle Harris
Saba Long
Remy Saintil

Also in attendance was Charles Pursley, Jr. of Pursley Friese Torgrimson, LLP; Zoe Stallings; Devonte Wilburn.

Chairman's Report

Upcoming Meetings

Friday, June 26, 2015

- Operations & Safety Committee – 10:00 a.m.
- Business Management Committee

Wednesday, July 8, 2015

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

Approval of the May 28, 2015 Work Session Minutes

On motion by Mr. Durrett seconded by Mr. Buckley the minutes were unanimously approved by a vote of 8 to 0, with 8 members present.

Welcome to Special Guests

Chairman Ashe called on Mr. Daniels to introduce special guests.

Mr. Daniels introduced Zoe Stallings and Devonte Wilburn. Ms. Stallings is a rising Junior at Harvest Preparatory School in Columbus, OH. She is part of the Atlanta Business League Student Business Shadow Program. Mr. Wilburn is a rising Sophomore at Rust College in Holly Springs, MS. Both are serving as interns over the summer at Citizens Trust Bank.

Chairman Ashe on behalf of the Board of Directors and staff, welcomed them to MARTA and wished them the best.

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Mr. Durrett asked everyone to keep former Board member, Kirk Fjelstul, in their thoughts and prayers, noting that he has been very ill.

General Manager/CEO Report

MARTA Debt Program Action Plan – K. Hurley

- 2016A Forward Delivery/Direct Placement
 - Par – 90,260,000
 - Use of Funds - Refund 2006A Bonds on July 1, 2016
 - Term – 8 years
 - Rate Mode – Fixed: 2.30%
 - Change in Debt Structure – Slight extension to provide capacity in 2017-2020
 - Direct placement with Wells Fargo at 2.30% - \$5.8M in PV Debt Service Savings
 - Allowed MARTA to lock in prevailing low fixed rates
 - Will close July 1, 2016
 - No credit rating needed

- 2015A Fixed Rate Series
 - Par – 87,015,000
 - Use of Funds – Funding
 - Term – 30 years
 - Rate Mode – Fixed
 - Change in Debt Structure – long term debt
 - Net proceeds - \$100,774,951 sold at a premium – 5% coupon
 - TIC 4.08% with JP Morgan primary. 28 year effective term
 - Closed Wednesday, April 29, 2015
 - All ratings confirmed by Rating Agencies – Fitch AA – and S&P AA+
 - Clayton Sales Tax Revenues NOT included in the additional bonds test

Recent Debt Transactions and Status

- Refunding Savings – since 2012, three Bond Refundings and two Mode Conversions have saved the Authority over \$15M

Near-Term Initiatives Include:

- Clayton County Sales Tax Receipts Pledge – Amend Third Bond Trust Indenture
- Permission to solicit proposals for Financial Advisory Services – contract expires June 2016
- Fall 2015 Debt Issue - \$120 to \$130M

Board of Directors Actions

- Approve resolution to amend the Third Bond Trust Indenture and Bond Validation to include Clayton County
- Approve permission to solicit resolution to conduct Financial Advisory Services RFP

MARTA Wellness Facility - R. Saintil

As part of MARTA's wellness initiative and to maintain and attract excellent employees, the Authority is proposing an expansion of its Wellness Center.

Phase I:

- HQ Wellness Center will be renovated into a modern facility as a pilot
- HQ Wellness Center will be brought up to ADA compliance standards
- Satellite facilities will receive some new equipment to replace the expired equipment

Phase II:

- Professional Services to perform an assessment of MARTA's seven (7) wellness center satellite locations and issue recommendations to move forward

Ms. Henry informed Board members that MARTA will educate and engage ATU membership with the kick-off of this new wellness initiative.

Mr. Johnson said there will be a cross team of employees who will sit on the Wellness Committee. One main focus of this group will be the things that drive MARTA's healthcare costs.

Dr. Edmond asked what data is available to show how these facilities will be utilized.

Mr. Parker said staff will provide the Board with information on current utilization.

Mr. Krisak said MARTA has engaged wellness professionals to help in choosing equipment, etc. There will also be contracts to help maintain the equipment. This will be a different take on what the Authority has done in the past.

Clayton County High Capacity Fixed Guideway – R. Krisak/E. O'Neill/R. McClendon/D. Williams

Mr. Krisak said that part of Clayton County joining the MARTA system was an agreement to look at a high capacity fixed guideway.

Mrs. O'Neill stated that the Rapid Transit Contract signed between MARTA and Clayton County provided that one penny would be collected. One-half of that penny would be utilized for the immediate operation of a bus service. There was an engineering report attached to the contract which also set out a rail extension plan. The other half penny that was collected would be put into a lock box to be utilized for the development of that rail extension. If a rail extension was not feasible, then another high capacity transit option would be studied and put forth to Clayton. A commitment was also made that a task force would be formed consisting of representatives from MARTA and Clayton to study the rail extension or high capacity transit option.

Mr. Krisak said in terms of fixed guideway rail in Clayton County, Norfolk Southern has shown renewed interest as to what is going on in Clayton County.

They are amenable to MARTA being in their right-of-way – they are not amenable to MARTA riding on their tracks. Norfolk Southern agreed to do a right-of-way service, real estate evaluation. It comes at a price tag of \$300K. Timeframe is approximately 9 – 12 months. Hatch Mott McDonald has done a similar study to see how MARTA could fit into the Norfolk Southern right-of-way – sharing or having our own track.

Mr. Williams discussed the federal process, noting that MARTA will look at commuter rail and rail option. Another option would be a high capacity alternative – light rail, BRT, etc. This will include the alternative analysis and environmental review. The estimated cost is approximately \$3.5M and will take 24-36 months. In terms of the project itself, MARTA will look for New Starts funding which means the federal process. These processes will go into the Regional Long Range Plan. Finally, MARTA will ask for a full grant agreement and then on to construction.

Mr. Griffin asked if the Long Range Plan is MARTA's plan.

Mr. Williams responded that it is ARC's Long Range Plan.

Mrs. McClendon said MARTA will need a Transit Advisory Committee to provide input on community needs and feedback on the study direction. The Committee will be composed of five external representatives and four MARTA representatives. From the county, MARTA is looking for representation that will include an elected official, someone from the development community, a neighborhood representation, someone from the academic community and a representative from the business community.

Dr. Edmond cautioned everyone to not forget that there are other jurisdictions that have been paying into the system for decades and have been looking for rail extension.

Mr. Durrett asked if the \$4 - \$6M cost comes from the funds in the lock-box.

Mr. Parker responded yes, it was all part of the Capital Improvement cost.

Mr. Krisak reported that Mr. Parker will establish a meeting with Clayton County Commissioners. Once MARTA gets the green light, Mr. Williams will establish Scope of Services and a Planning consultant will start the Alternative Analysis.

Mr. Parker said he hopes to come back to the Board as early as July for approval of the \$300K contract.

Elevator and Escalator Rehabilitation Program & Maintenance Contract – T. Beebe

There are currently 149 escalators and 113 elevators throughout the MARTA system. Bids have been received. There was one bidder. It is approximately a \$180M contract.

MARTA is currently at the Best and Final Offer (BAFO) stage of the contract. There is a need to extend the existing maintenance contract which expires August 31.

MARTA just completed a 33-escalator rehabilitation. Shindler provides maintenance and Lurch Bates provides oversight for maintenance and the modernization program. MARTA has its own inspectors in-house. Of all transits, MARTA averages a 98% availability rate.

The RFP scope encompasses a 10-year maintenance agreement which covers rehabilitation or replacing 116 escalators and 111 elevators. All labor for these projects comes out of Local 32.

- Option A – BAFO
- Option B – multiple contracts

Staff will come to the Board during the June Operations & Safety Committee meeting to recommend extension of the maintenance agreement for one year and to move forward with the BAFO and negotiate.

Mr. Parker said the airport is the other big elevator/escalator game in town. They just granted sole source to Kone. He said he recommends moving forward with this procurement and continue to negotiate with Shindler to finalize the deal.

Mobile Ticketing Solution – M. Hsi

In 2013 MARTA conducted a rider survey - 2/3 have smart phones. One-half said they would use their phone to pay for fare media.

A mobile fare payment system would provide convenient self-service for riders. They would be able to purchase and validate tickets using smart devices (phone

and tablets). The service can be integrated with MARTA's popular On the Go, See & Say, alerts, etc. as a single source for various transactions. This initiative would continue to keep MARTA in the forefront of the industry.

Last August staff asked permission for a RFP. In March six proposals were received. The high scorer was Trapeze at \$3.1M. Cubic was \$31M.

The Source Evaluation Committee recommends moving forward with Trapeze for a pilot. The pilot will cost \$80K. If the pilot is successful, MARTA will move forward with full implementation.

Project Timeline

- Project kickoff – July 2015
- System design and configuration – Aug/Sept 2015
- Pilot with employees – Oct/Nov 2015
- Pilot with MARTA riders – Nov 2015 to Jan 2016
- Full contract award – Feb 2015
- Full implementation – March 2016 to Nov 2016

Inside the RFP, there are two options:

- a. We host everything, hardware, software, server, etc.
- b. The vendor will do everything and take a percentage of revenue

Mr. Durrett said one thing that was talked about in the past was Park & Ride validation. He said he hopes transit riders will be treated exactly the same way as people who drive their car – but validation will cost less if you ride transit than if you drive a car.

Mr. Hutchinson said as part of the parking RFP, MARTA will have the technology integrated with ridership data.

Ms. Abdul-Salaam asked what does service look like for those that don't have smart phones.

Mrs. Hsi said the Breeze card will still be there.

Mr. Parker said this is a regional collaborative effort between GRTA, Cobb, Gwinnett, the City of Atlanta, etc. We will have all pieces in place for a one-stop effort. The public is very excited about this effort.

Mr. Parker thanked Mrs. Hsi and her team.

Mr. Tomlinson said this is a very strategically important project. He commended Mrs. Hsi and team who have been very collaborative with all the regional partners.

Chairman Ashe expressed congratulations to staff. He noted that once technology is in place, perhaps fares can be included in the cost of football/basketball tickets. Hopefully, down the road MARTA can partner with non-MARTA large events. He said he hope MARTA remains as 'open architecture' as possible.

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On motion by Mr. Tomlinson seconded by Mr. Durrett the Board unanimously agreed to go into Executive Session at 1:27 p.m. to discuss a real estate matter.

On motion by Mr. Griffin seconded by Mr. Daniels, the Board unanimously agreed to adjourn the Executive Session at 1:43 p.m.

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Adjournment

The meeting of the MARTA Board of Directors adjourned at 1:43 p.m.

Respectfully submitted,

Rebbie Ellisor-Taylor
Assistant Secretary to the Board