

MINUTES

WORK SESSION OF THE BOARD OF DIRECTORS

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

April 12, 2018

12:00 p.m.

Board Members Present

Robert L. Ashe III
Robert F. Dallas
Frederick L. Daniels, Jr.
Jim Durrett
William "Bill" Floyd
Ryan Carter Glover
Jerry Griffin
Freda B. Hardage
Alicia M. Ivey
Russell McMurry, P.E.*
John "Al" Pond
Christopher S. Tomlinson*
W. Thomas Worthy

Staff Members Present

Jeffrey A. Parker
Robert A. Troup
Gordon Hutchinson
Richard Krisak
Elizabeth O'Neill
Goldie Taylor
Rukiya Thomas
Davis Allen
Rhonda Allen
John Bayalis
Elayne Berry
Rhonda Briggins
LaShanda Dawkins
Joseph Dorsey
Wanda Dunham
Stephany Fisher
Abebe Girmay
Angela Jackson-Summers (Acting)
Torrey Kirby
Benjamin Limmer
Dean Mallis
Ryland McClendon
David Springstead
George Wright

Also in attendance was Robert Highsmith and LaToya Brisbane of Holland & Knight, LLP; Nicole Crawford of SRTA; David Wickert of *The AJC*.

* Christopher Tomlinson is Executive Director of Georgia Regional Transportation Authority (GRTA); Russell R. McMurry, P.E. is GDOT Commissioner and are therefore non-voting members of the MARTA Board of Directors

Chairman's Report

Upcoming Meetings

Thursday, April 26, 2018

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

Thursday, May 3, 2018

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

Approval of the March 8, 2018 Work Session Minutes

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

* * *

Vice Chair Hardage acknowledged and welcomed MARTA's new General Manager/CEO Jeffrey A. Parker.

Mr. Parker thanked the Board for their vote of confidence. He stated he has a lot to focus on regarding the future of MARTA and is ready to get started.

* * *

General Manager/CEO Report

Update – DBE Roundtable

Mr. Goode presented this briefing.

A DBE Roundtable was conducted on March 1st. The Roundtable was facilitated by Board members Ms. Alicia M. Ivey, Mr. Robert Dallas and Dr. Roderick Edmond. MARTA staff representation included Interim GM/CEO, Legal Services, Capital Projects and Real Estate. There were over thirty (30) attendees, representing over fifteen firms.

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Takeaways

- Most participants were aware and satisfied with MARTA's procurement process and DBE program but thought there were several areas that needed to be improved, as follows:
 - Communication/outreach
 - Procurement procedures/administration
 - Post-contract award compliance/enforcement
 - DBE/SBE growth and development

Current and Planned Activities

- How to do Business with MARTA (March)
- JOC DBE Outreach (April)
- Vendor Opportunity Day (May)
- Meet MARTA Stakeholders (June)
- Business Opportunity Luncheon (June)
- Pitch Tank (July)
- Regional Buyers Tour (August)

Next Steps

- Increase the amount of communication regarding upcoming opportunities. Conduct more DBE outreach events (i.e., Industry Day, Vendor Day, "Pitch Tank")
- Partner with Greater Atlanta Economic Alliance, Atlanta Business League and Georgia Minority Supplier Development Council to help SBE/DBEs grow their business by creating match-making opportunities with Primes
- Continue to benchmark against other successful programs and provide frequent updates to the Board on key performance indicators (i.e., number of contracts awarded, DBE spend, audit findings)
- Conduct more compliance audits to prevent Primes from marginalizing DBEs and preventing Primes from paying DBEs but not allowing them to perform the work
- Review contracts to see if "more teeth" needs to be included in contract language

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Chairman Ashe said when he is in conversation with the labor community about our construction contracts, the consensus is MARTA generally does a good job; but we must make sure we are enforcing wage and hour restrictions. One of the most important things that we can do is police the contracts that we hold.

Dr. Goode said the regulations are very specific.

What is MARTA's Plan

- Increase communication on upcoming opportunities
- Pitch Tank in August
- MARTA's goal is to help the DBE grow out of the role of DBE
- Conduct more compliance audits
- Review contracts for more "teeth"

Current and Planned Activities

- More vendor days
- Meet MARTA stakeholders
- Business opportunities luncheon
- Pitch Tank
- MARTA Vendor Day
- ABL Congress on the State of Black Business
- GMSDC Business Opportunity Exchange
- GMSDC Supplier Diversity Leadership Council

Ms. Ivey stated it was a very robust session. Board members and staff learned a lot from the DBEs. The goal is to ensure DBEs have a fair and equitable opportunity with MARTA. Mr. Springstead presented very beneficial information to the group. Dr. Goode did an excellent job in coordination and presentation.

Dr. Goode said the next update will cover:

- Key performance metrics
- What funds are being spent and who is receiving those dollars
- Audit findings and what we are doing about it

As outgoing Chair of DeKalb Chamber, Mr. Daniels suggested sending the information on contracts to the various Chambers. From a communication perspective this would be another mechanism for communicating what contracts are available for small businesses. Regarding accountability, we want transparency. Having a place on MARTA's website that speaks specifically to

DBEs would be a great tool. Lastly, he said he would like to see a published time when Mr. Goode will come to the Board – i.e., quarterly, bi-annually, etc.

Agency Overtime Costs

Mr. Troup and Assistant Chief Dorsey presented a briefing on agency overtime costs.

The good news is MARTA is in good financial shape. What staff recognized is there is a trend line in overtime that needed a closer look – what are the drivers. We looked to see if we are efficiently spending our funds.

Overtime Drivers for Police Services

- Administrative Influencers
 - No adjustment for \$457,582 in capital credits/reimbursement of grant funds (12.5% of overtime utilized)
 - Personnel shortage (44 vacancies; 60.6% of overtime utilized)
Approximately 12-18 months from date of hire to deployment in the field
- Increase in Coverage
 - Over \$207K on crime strategies mitigation (5.6% of overtime utilized)
 - Over 360K spent on Bus Marshalls (9.8% of overtime utilized)
- Events/Deployments
 - Over \$420K on deployments for protests, winter storms, Hurricane Irma, sporting events, APTA, IOC, Travel Training, etc. There has been an increase in events since the opening of Mercedes Benz Stadium. (11.5% of overtime utilized)

Overtime Drivers for Bus Operations

- Operators
 - 71% of operator runs require scheduled overtime (9 hours)
 - ∞ 369,811 hours (\$11,004,205) of operator scheduled overtime (by run-cuts)
 - ∞ 316,937 hours (\$9,430,870) of operator budgeted overtime
 - Insufficient budget for special events, bus bridges, emergency response or training
 - Vacation and other absences not sufficiently funded (extra-board)

- Supervisors and Dispatchers
 - Inadequate number of division dispatchers is covered by overtime
 - Inadequate number of full time road supervisors is covered by overtime
 - ∞ 4 budgeted FTE's not authorized to be filled (11,345 hours (\$291,545) of overtime YTD
 - ∞ IOC dispatch shortages are replaced by bus operators on overtime
- Maintenance
 - Overtime is used to handle current workload due to 25 percent vacancy rate
 - Vacation and other absences are not sufficiently funded

Overtime Drivers for Rail Transportation and Station Services

- Rail Transportation
 - No part-time rail operators and inadequate extra board to cover absences and extra service (39% of utilized overtime)
 - ∞ Covered with 25,321 hours (\$765,732) of overtime
 - Insufficient budget for special events (15% of utilized overtime)
 - ∞ 10,906 hours (\$303,727) overtime – Rail Line Supervisors
 - Insufficient budget for annual re-certification training
 - Vacation and other absences are insufficiently budget
 - Increased vacancies due to retirements, resignations, promotions/transfers (IOC)
- Station Services
 - Insufficient budget for support during special events, emergency response and single-tracking due to capital projects
 - ∞ 22,916 hours (\$679,562) overtime – Station Agents (34.6%)
 - ∞ Support for capital projects such as the station elevator escalator rehabilitation
 - ∞ Increased vacancies due retirements, resignations, promotions/transfers (IOC)

Overtime Drivers for Rail Maintenance

- Rail Car Maintenance
 - Inadequate staff to support the L-CARE capital program without overtime
 - ∞ 16,087 hours (\$562,113) overtime – Radio Maintenance (25.4% of overtime utilized)

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- ∞ 35,670 hours (\$1,263,814) overtime – Mechanics and Technicians (57.2% of overtime utilized)
- Increased car counts and mainline supports for special events
- Lack of staffing for South Yard since 2011 shutdown
- Lean staffing level leads to overtime use

Maintenance of Way (MOW)

- Insufficient overtime budget for capital project wayside support
 - ∞ Work is conducted on weekends/extra days
 - ∞ 27,225 hours (\$879,276) of overtime (54% of utilized overtime)
- Inadequate staffing for increased capital projects requiring wayside support
 - ∞ 23,313 hours (\$756,387) overtime (46% of utilized overtime)

Summary

Overtime is used to cover service levels we have committed to provide. Overtime can be managed by a review and adjustment in three general categories.

- Service Planning
 - Consider on-demand service for underperforming routes
- Service Scheduling
 - Analyze the current service plan to optimize hiring and the use of scheduled overtime
 - Adjust the budget to cover mid-year service expansions
 - Align service to match budget if mid-year service adjustments must be made (balance service against budget)
- Service Management
 - Drive down unscheduled absenteeism
 - Expand Police Services and Operations recruitment strategies
 - Budget for the full burden of scheduled overtime

Project Cost Assessment

Mr. Troup presented an assessment of MTA-NY subway tunnel construction costs.

An article came out on the most expensive mile of subway track on earth. The article focused on subway tunneling and specifically MTAs 2nd Avenue and East Side access projects.

Both projects are major tunnel bores through a highly built up metropolitan region with significant utility relocation and permitting requirements as well as complex New York labor laws.

The infrastructure in New York, some of the Union agreements in New York, the amount of traffic, east side access – there are a lot of challenges in New York that we don't face in Atlanta. This gives us an opportunity to look at how we do projects.

The Left Hand Control

- PMO Processes
- Consistent Application
- Source of Funds
- Defined Scope
- Contract Packaging
- Contract Definition
- Indemnification
- Contingency Control

Right Hand Control

- Quality Oversight
- Design Reviews
- Change Management
- Staff Empowerment
- Contract Understanding
- Schedule Management
- On-site MARTA
- Personnel

MARTA has a proven record of delivering high quality projects safely and efficiently. From a State of Good Repair, MARTA is in great shape, but also from a standpoint of where MARTA is headed – a new rail fleet this is enviable across the industry. Also there is a good synergy across disciplines here at MARTA. We have to allow staff to be empowered at the same time holding them accountable.

MARTA is entering a new era of expansion and we must be ready to deliver:

- State of Good Repair Program
- Expansion Program

Staff will continue to improve project efficiency by:

- Leveraging transit experience
- Recognizing gaps and addressing them
- Removing unnecessary (non-value added) processes
- Initiating new strategies and contracting methods to improve speed and agility
- Contingency Management
- Assessment of soft costs to ensure MARTA is at or below industry standards

Mr. Griffin stated one of the things we have not done very well is explained the complexity of building. Putting down rail and buying trains is easy – it's all the other costs – the general public for the most part do not understand. Our job is to do a better job of explaining to the public what is involved.

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Adjournment

The meeting of the MARTA Board of Directors adjourned at 1:41 p.m.