



BOARD OF DIRECTORS

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

BUSINESS MANAGEMENT COMMITTEE

THURSDAY, SEPTEMBER 26, 2024

ATLANTA, GEORGIA

MEETING SUMMARY

1. CALL TO ORDER AND ROLL CALL

Committee Chair James Durrett called the meeting to order at 9:35 A.M.

Board Members

Present:

Al Pond
Freda Hardage
James Durrett
Kathryn Powers
Roderick Frierson
Stacy Blakley
Rita Scott
Thomas Worthy
Valencia Williamson
Jennifer Ide
Jacob Tzegaegbe
Sagirah Jones

Board Members

Absent:

Russell McMurry
Jannine Miller

Staff Members Present:

Collie Greenwood
Melissa Mullinax
Rhonda Allen
Ralph McKinney
Peter Andrews
Michael Kreher
George Wright
Kevin Hurley

Also in Attendance: Justice Leah Ward Sears of Smith, Chetan Agarwal, Marlon Bell, Phyllis Bryant, LaShanda Dawkins, Kenya Hammond, Tyrene Huff, Paula Nash and Greg Patterson

2. APPROVAL OF THE MINUTES

Minutes from August 22, 2024 Business Management Committee Meeting.

Minutes from August 22, 2024 Business Management Committee Meeting. On a motion by Board Member Durrett, seconded by Board Member Hardage, the motion passed by a vote of 12 to 0 with 12 members present.

3. RESOLUTIONS

Resolution Authorizing a One-Time Cost of Living Bonus for the Retirees and Beneficiaries of the MARTA Non-Represented Pension Plan

Resolution Authorizing a One-Time Cost of Living Bonus for the Retirees and Beneficiaries of the MARTA Non-Represented Pension Plan. On a motion by Board Member Williamson, seconded by Board Member Hardage, the resolution passed by a vote of 12 to 0 with 12 members present.

4. BRIEFING

Briefing - FY24 Year-End Financial Highlights

Greg Patterson, Deputy Chief Financial Officer Budget and Grants, and Chetan Agarwal, Acting Assistant General Manager Centralized Programming Office provided the Committee with an overview of the unaudited fiscal year 2024 financial highlights and key performance indicators.

5. OTHER MATTERS

None

6. ADJOURNMENT

The Committee Meeting adjourned at 10:17 A.M.

YouTube link: <https://www.youtube.com/live/BHZhY5Otml0?feature=shared>



Resolution Authorizing a Cost of Living Bonus for the Retirees of the MARTA Non-Represented Pension Plan

LaShanda R. Dawkins, Assistant General Manager
Business Management Committee
September 26, 2024

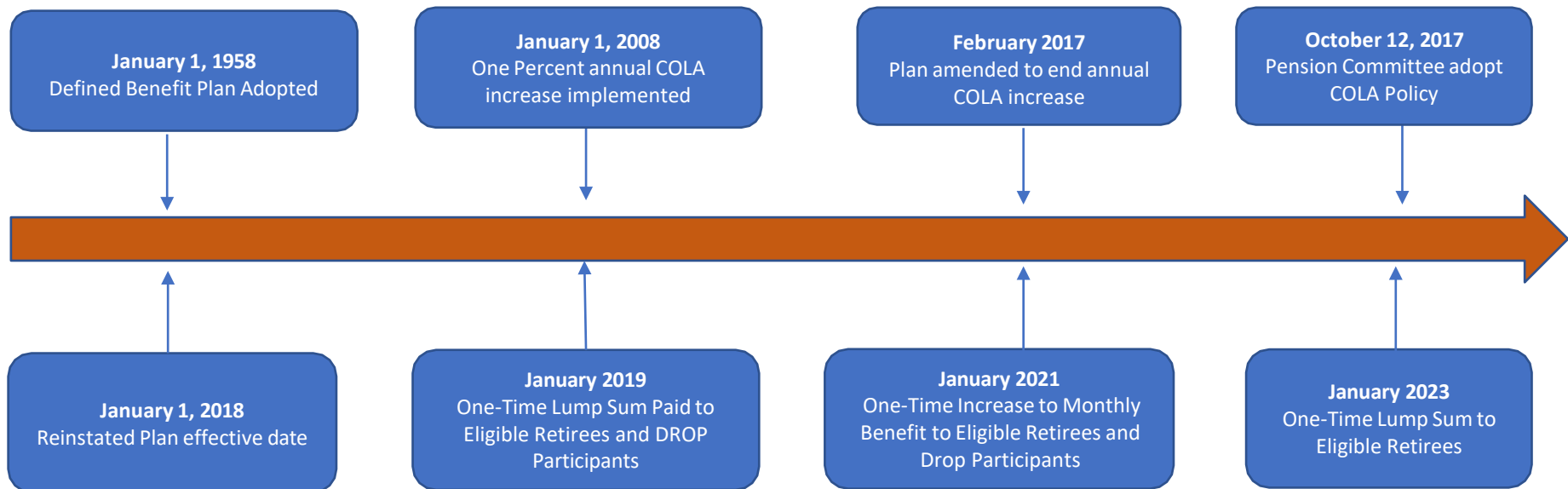


Cost of Living Recommendation

- One-time lump sum payment, equivalent of an additional monthly check, with minimum payment of \$750 and maximum payment of \$5,000
- Benefit payable to eligible retirees and beneficiaries
- One time cost to the Plan of \$3,032,000



Background



Key Factors Considered

- Rate of Return for the Plan Year ended December 31, 2023
- Funded Position of the Pension Plan
- Consumer Price Index (CPI) data for the preceding twelve-month period
- Plan Actuary guidance





Thank You



**RESOLUTION AUTHORIZING A ONE-TIME COST OF LIVING BONUS FOR THE
RETIREES AND BENEFICIARIES OF THE MARTA NON-REPRESENTED PENSION
PLAN**

WHEREAS, the MARTA Non-Represented Pension Plan (the “Plan”) requires the Management Pension Committee (the “Committee”) for the Plan to annually review and consider the adequacy of retirees’ pension benefits under the Plan with respect to a cost-of-living adjustment (“COLA”) and MARTA’s financial condition and ability to fund a COLA, and, if warranted, recommend a COLA to the Board of Directors for consideration.

WHEREAS, the Committee adopted a Cost-of-Living Adjustment (COLA) Policy (the “Policy”), effective October 12, 2017, to establish procedures and guidelines for such review by the Committee.

WHEREAS the Committee during its annual review, in accordance with the Plan and with the guidance of the Plan’s actuary, considered, among other items, the rate of return for the plan year ended December 31, 2023, the funding position of the Plan, and Consumer Price Index (CPI) data for the most recent preceding twelve month period, and determined that a cost of living adjustment would be appropriate.

WHEREAS, the Committee has recommended a cost-of-living bonus for Retirees and Beneficiaries in pay status as of January 1, 2024, in the Plan (collectively, “Eligible Participants”) in the form of a one-time lump sum equivalent to an additional monthly check with a minimum payment of \$750 and a maximum payment of \$5,000, payable or deferred, as applicable, by January 2025.

WHEREAS the Plan's actuary has determined that this action will have an approximate one-time cost of \$3,032,000 to the Plan.

RESOLVED THEREFORE, by the Board of Directors of the Metropolitan Atlanta Rapid Transit Authority hereby authorizes and approves a cost-of-living bonus for Eligible Participants (as described above) in the form of a one-time lump sum payment equivalent to an additional monthly check with a minimum payment of \$750 and a maximum payment of \$5,000, payable or deferred as applicable by January 2025.

RESOLVED FURTHER, that the Chair of the Committee of her delegates are hereby authorized and directed to take all actions, and to execute and deliver all agreements, instruments, indentures, forms, notices, powers of attorney, and other documents as they shall respectively deem necessary to carry out the intent of the foregoing resolutions.

SO, PASSED AND ADOPTED this 10 day of October, 2024.

Approved as to Legal Form:

DocuSigned by:
Peter J. Andrews
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**Chief Counsel, Metropolitan Atlanta
Rapid Transit Authority**



**Unaudited
Financial Highlights
Fiscal Year Ended
June 30, 2024**

FY24 Operating Budget Highlights For Fiscal Year Ended June 30, 2024

FY 2024 Operations Performance

June 30, 2024 (\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
Prior Year Carry Forward	48.0	48.0	0.0	0.0%
Net Revenue	584.6	584.4	0.2	0.0%
Net Expenses	602.9	631.4	(21.5)	-3.4%
Net (Deficit)	(20.3)	1.0	(21.3)	-2130.0%

COMMENTS

- YTD Net Revenues are favorable to budget by **0.2M**
- YTD Net Expenses are unfavorable to budget by **(\$21.5M)**
- YTD Net Deficit of **(\$20.3M)** compared to a \$1.0M budget surplus

FY 2024 Operating Revenues and Expenses

June 30, 2024 (\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
SOURCES				
Prior Year Carry Forward	48.0	48.0	0.0	—%
REVENUES				
Sales Tax	360.7	347.5	13.2	3.8%
Title Ad Valorem Tax	33.5	34.5	(1.0)	-2.9%
Federal Assistance	81.8	81.5	0.3	0.4%
Passenger Revenue	72.8	82.7	(9.9)	-12.0%
Lease Income	6.7	9.6	(2.9)	-30.2%
Station Parking	1.7	1.7	0.0	0.0%
Other Revenue	27.4	26.9	0.5	1.8%
Net Operating Revenues	632.6	632.4	0.2	0.0%
EXPENSES				
Salaries and Wages	282.3	299.5	17.2	6.7%
Overtime	43.4	48.9	(4.5)	-1.6%
Total Benefits	139.7	153.4	13.7	9.9%
Contractual Services	116.3	118.1	1.8	1.5%
Total Materials and Supplies	59.9	64.8	(4.9)	-3.9%
Other Non-Labor	56.9	67.1	(10.2)	-1.8%
Gross Operating Expenses	698.5	711.8	13.1	1.8%
Less: Capital Charges	(13.9)	(10.2)	(3.7)	-3.1%
Net Operating Expenses	652.9	631.4	(21.5)	-3.4%

REVENUE COMMENTS – YTD sources are \$0.2M favorable

- Sales Tax Revenue is \$13.2M above budget as a result of an active local economy and the associated impact of inflation
- Title Ad Valorem Tax revenue is under budget due to an error in establishing the budget \$1.0 above the maximum earnable amount
- Passenger Revenue is under performing budget due to a combination of a lower ridership forecast and increased fare evasion
- Lease Income is unfavorable to budget due to accounting corrections for subscription-based IT contracts and discontinued revenue from Verizon related to equipment installed on MARTA property.

EXPENSE COMMENTS – YTD expenses are (\$21.5M) unfavorable

- Salaries and Wages are favorable to budget by \$17.2M primarily due to ongoing vacant positions
- Overtime is (\$4.5M) unfavorable to budget due to vacant positions
- Total Benefits are \$13.7M favorable to budget due to ongoing vacant positions
- Contractual Services are \$1.8M favorable to budget largely due to lower than forecast Miscellaneous Services, Revenue Vehicle Maintenance Service and External Support Services expenses
- Total Materials and Supplies are over budget by (\$4.9M) largely due to costs associated with Rebuilds and Repairable
- Other Non-Labor Expenses are (\$10.2M) unfavorable to budget primarily due to third-party liability expenses
- Capital Charges are (\$34.6M) unfavorable to budget due to lower than forecasted direct and indirect expenses for capital projects

Current Month Operations Performance

June 30, 2024 (\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
Prior Year Carry Forward	0.4	0.4		0.0%
Net Revenue	46.1	55.2	(8.7)	-15.8%
Net Expenses	71.0	59.2	12.5	21.1%
Net (Deficit)	(24.8)	(3.6)	21.2	588.9%

COMMENTS

- Net Revenues are unfavorable to budget by **(\$8.7M)** for the month of June
- Net Expenses are unfavorable to budget by **(\$12.5M)** for the month of June
- Net Deficit for June is **(\$24.8M)** compared to a **(\$3.6M)** budget deficit

Current Month Operating Revenues and Expenses

June 30, 2024 (\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
SOURCES				
Prior Year Carry Forward	0.4	0.4	0.0	—%
REVENUES				
Sales Tax	31.0	29.2	1.8	6.2%
Vehicle License Tax	2.8	2.9	(0.1)	-3.4%
Operator Assistance	7.1	6.8	0.3	4.4%
Passenger Revenue	6.0	7.1	(1.1)	-15.5%
Lease Income	(2.1)	0.6	(2.7)	-40.0%
Station Parking	0.1	0.2	0.0	50.0%
Other Revenues	1.6	8.4	(6.8)	-81.2%
Net Operating Revenues	46.9	54.6	(8.7)	-15.7%
EXPENSES				
Salaries and Wages	23.8	24.0	0.2	0.8%
Overtime	4.1	5.2	(0.9)	-23.1%
Total Benefits	13.3	15.8	(1.5)	-12.7%
Contractual Services	21.8	25.5	(4.3)	-24.6%
Total Materials and Supplies	4.1	4.8	0.7	16.6%
Other Non-Labor	8.0	11.7	(3.3)	-39.2%
Gross Operating Expenses	75.1	87.0	(9.1)	-13.8%
Less: Capital Charges	(1.7)	(1.8)	(0.1)	-9.0%
Net Operating Expenses	71.7	59.2	(12.5)	-21.1%

REVENUE COMMENTS – Monthly sources are **(\$8.7M)** unfavorable

- Sales Tax revenue is favorable to budget as a result of an active local economy and the associated impact of inflation
- Passenger Revenue is unfavorable to budget due to a combination of ridership lower than forecast and higher than forecasted fare evasion
- Lease Income is less than budget and is impacted by the reporting requirements of GASB 87 for Leases and GASB 96 for Subscription Based IT Arrangements
- Other Revenues are unfavorable for the month largely due to a lower than forecasted return on investment revenue.

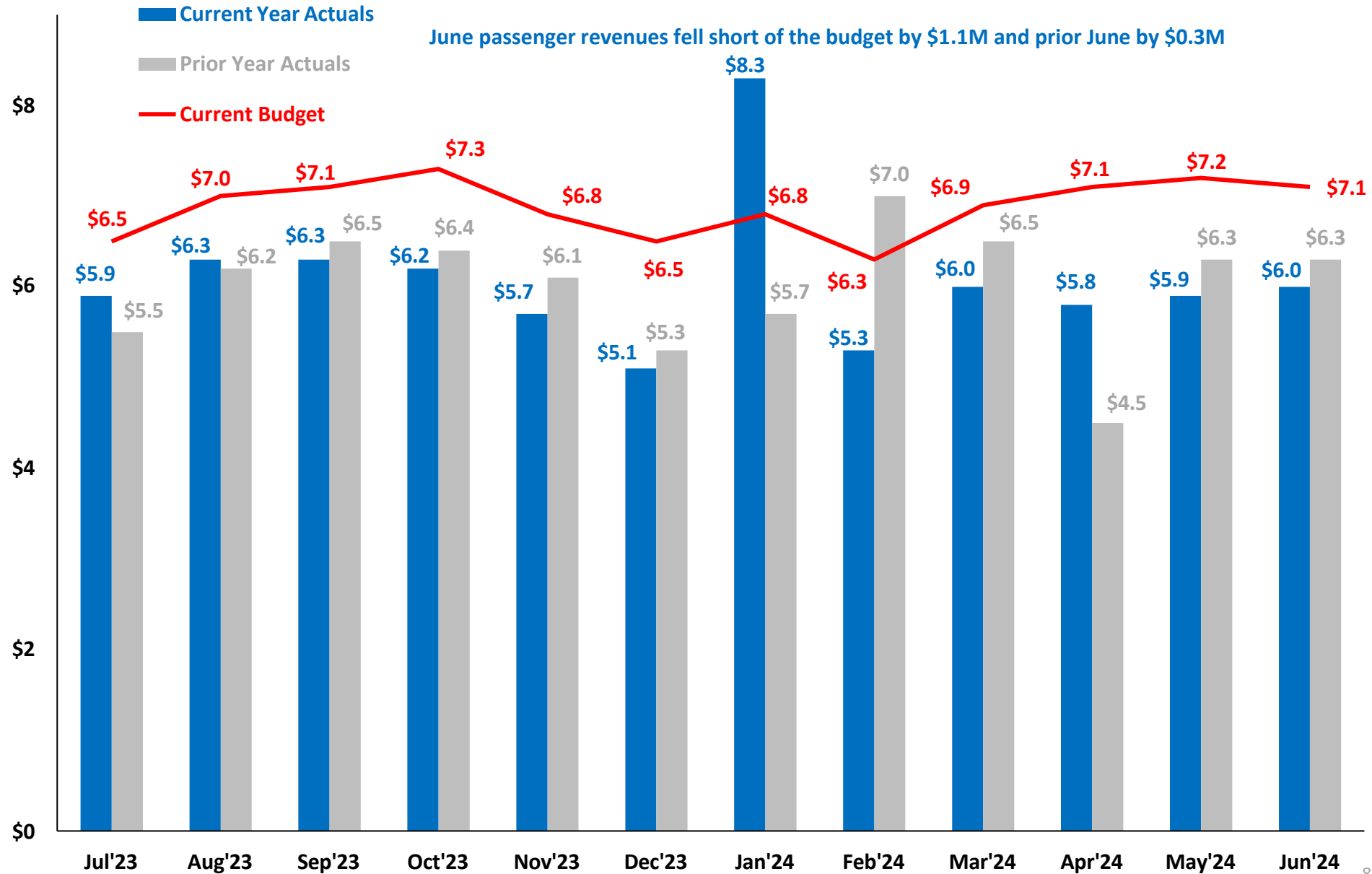
EXPENSE COMMENTS – Monthly expenses are **(\$12.5M)** unfavorable

- Contractual Services are (\$4.3M) unfavorable to budget due to higher than forecasted System Operation Services and External Support Services contract expenses
- Other Non-Labor Expenses are (\$3.3M) unfavorable to budget due to third-party liability costs
- Capital Charges are (\$3.2M) unfavorable to budget due to lower than forecasted direct and indirect expenses for capital projects

**FY24
June
Ridership
Key Performance Indicators**

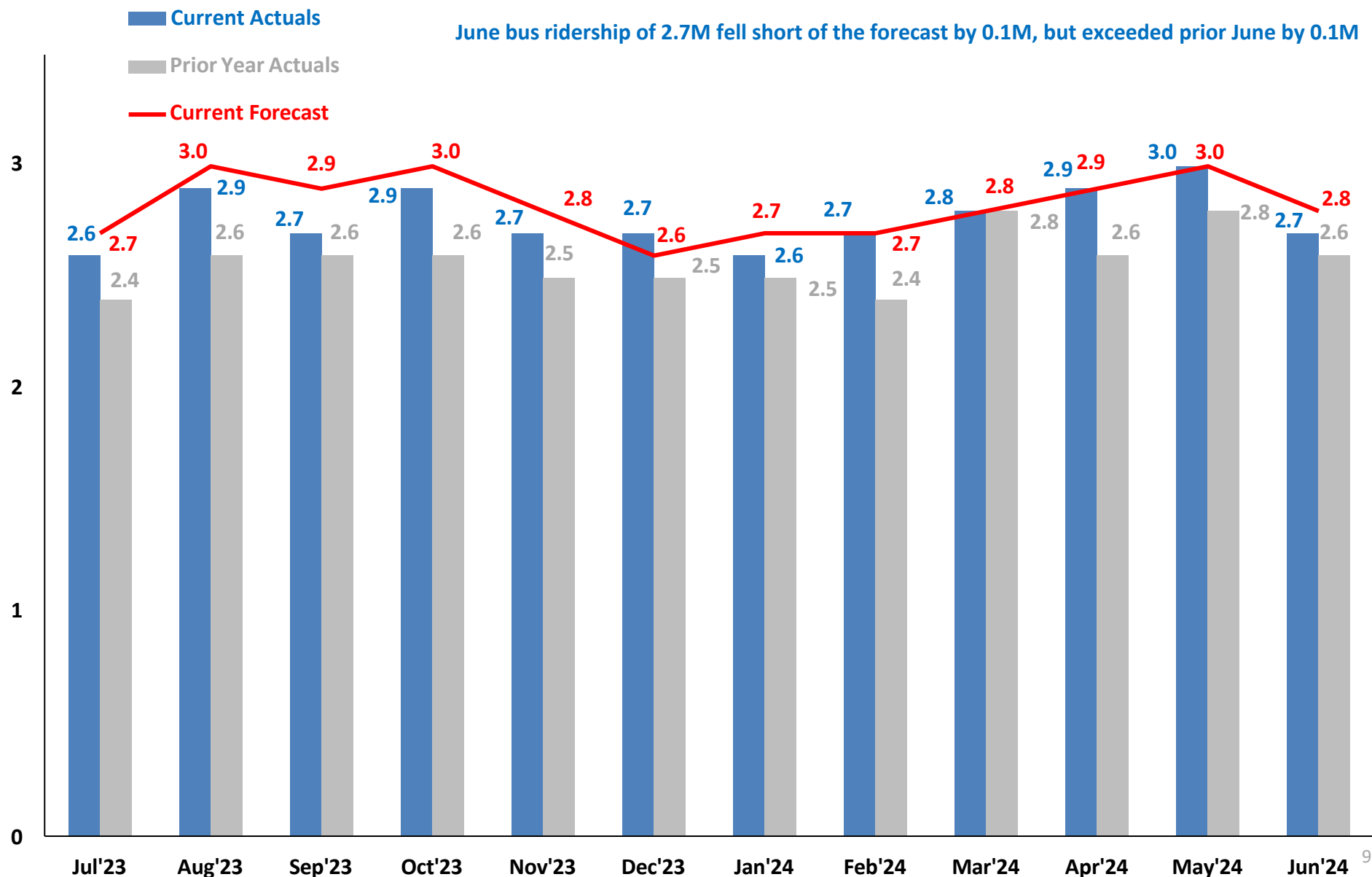
Passenger Revenues (millions)

June passenger revenues fell short of the budget by \$1.1M and prior June by \$0.3M



Bus Ridership (unlinked trips, millions)

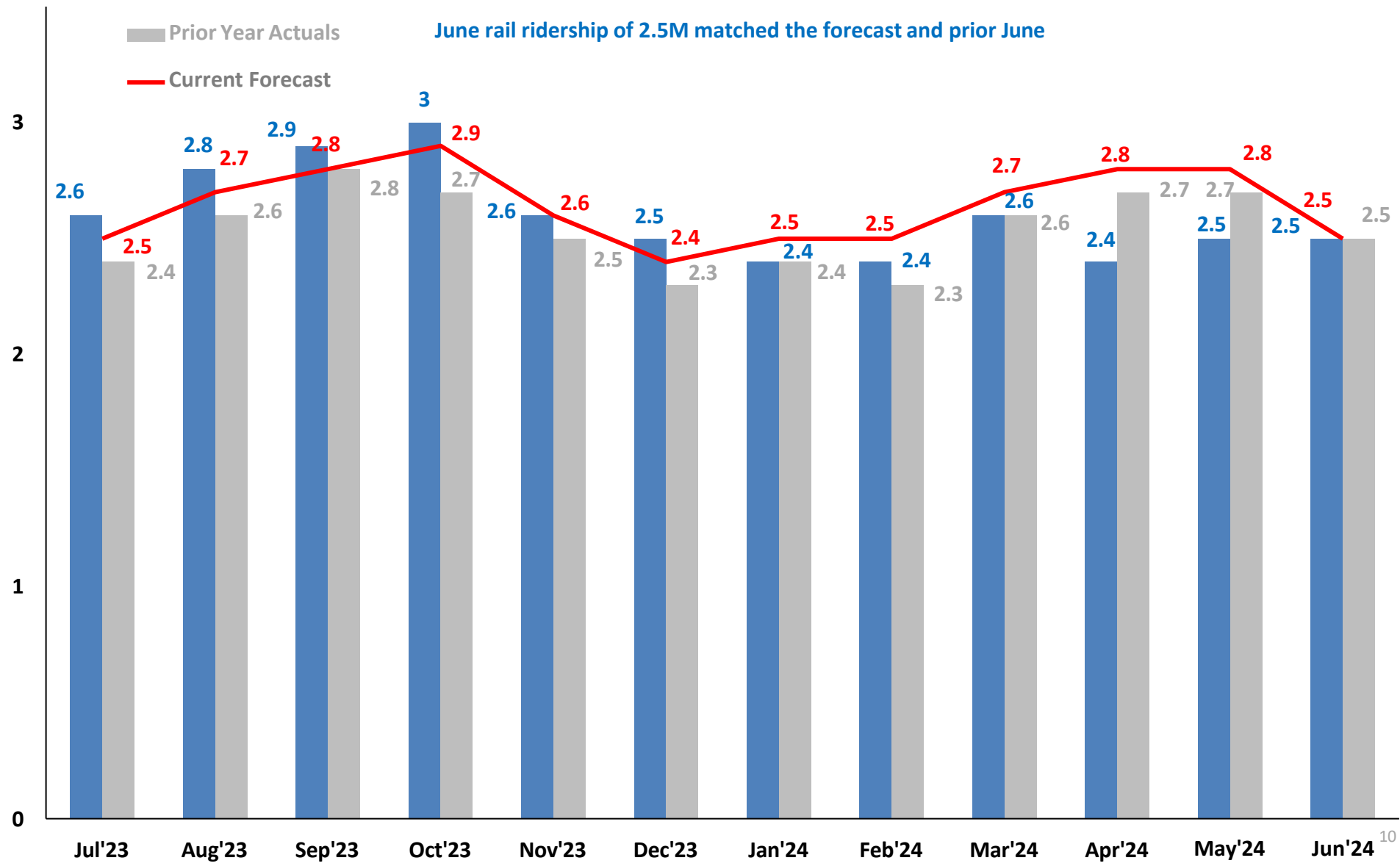
June bus ridership of 2.7M fell short of the forecast by 0.1M, but exceeded prior June by 0.1M



Rail Ridership (unlinked trips, millions)

- Current Actuals
- Prior Year Actuals
- Current Forecast

June rail ridership of 2.5M matched the forecast and prior June





FY24 Capital Highlights For Fiscal Year Ended 2024

Capital Sources and Uses by Category - State of Good Repair (SGR)
Year-To-Date thru June 2024
(\$ in Millions)

	YTD ACTUAL	YTD BUDGET	BUDGET VARIANCE	
	[A]	[B]	[C] = [A] - [B]	%
SOURCES OF FUNDS				
Beginning Balance	67.7	5.4	62.3	1,153.7%
Sales Tax	270.3	260.5	9.9	3.8%
Federal/State Funds	45.7	84.0	(38.3)	(45.6%)
Other Revenue	3.7	1.0	2.7	270.0%
Reserves Utilization	188.5	150.0	38.5	25.7%
Debt Issue (Bonds)	0.0	125.0	(125.0)	(100.0%)
Total Sources of Funds	575.9	625.8	(49.9)	(8.0%)
	YTD ACTUAL	YTD BUDGET	BUDGET VARIANCE	
	[A]	[B]	[C] = [B] - [A]	%
USES				
Facilities & Stations	109.9	130.1	20.2	15.5%
Maintenance of Way	9.8	10.2	0.4	4.0%
Non-Asset	63.7	102.1	38.4	37.6%
Systems	87.1	119.9	32.9	27.4%
Vehicles	78.1	94.1	16.0	17.0%
Subtotal CIP:	348.5	456.3	107.8	23.6%
Debt Service	141.8	151.5	9.7	6.4%
Total Uses	490.3	607.8	117.5	19.3%

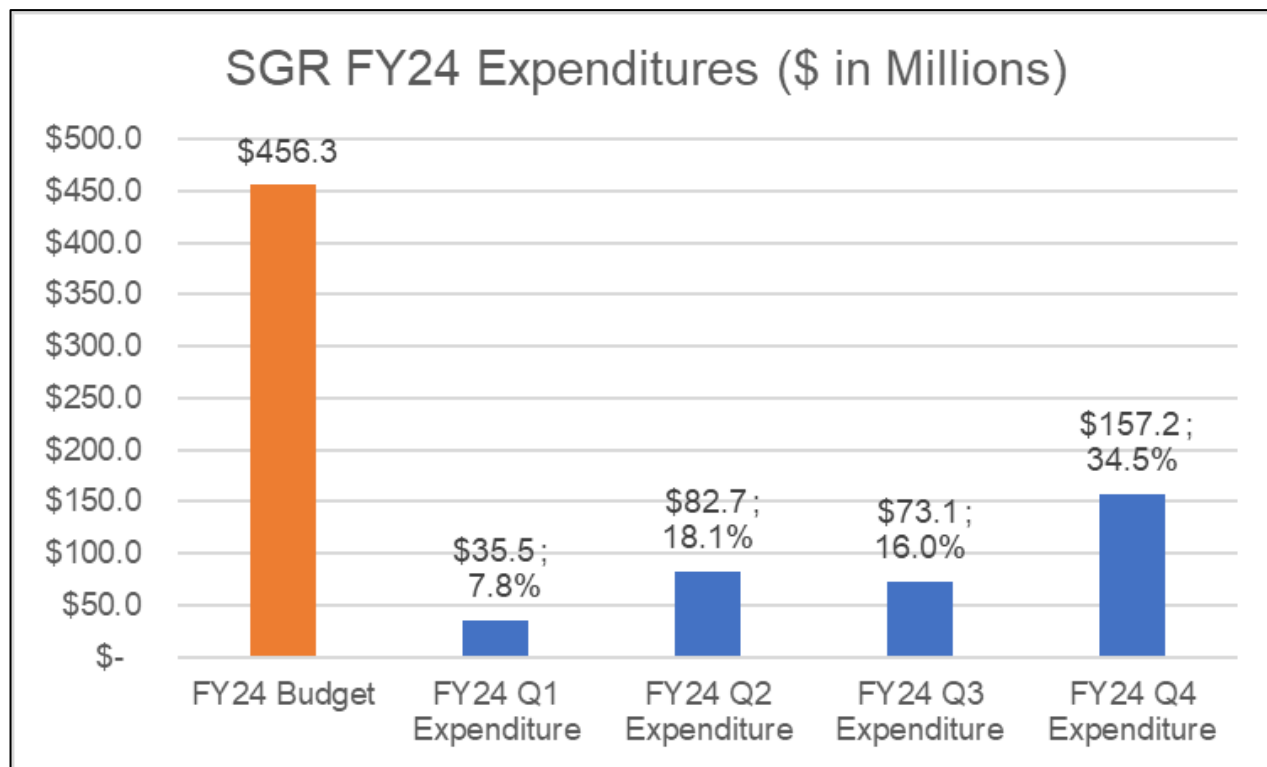
State of Good Repair (SGR) Performance Overview

- Historical Average Expenditure over the last four years has been 68% of the adopted budget
- FY24 Expenditure was 76% of the adopted budget

\$ in Millions			
	Budget	Spend	Percent Spend
Overall Average FY2020 - FY2023	449.8	305.3	67.9%
FY24	456.3	348.5	76.4%

State of Good Repair (SGR) Performance Overview (Contd.)

- FY24 Q1 Expenditure was \$35.8M; 7.8% of the adopted budget



Top 10 Projects by Expenditures - State of Good Repair (SGR)
Year-To-Date thru June 2024
(\$ in Millions)

#	Project Name	Category	YTD ACTUAL	YTD BUDGET	BUDGET VARIANCE	
			[A]	[B]	[C] = [B] - [A]	%
1	Rail Station Rehabilitation	Facilities & Stations	61.15	52.12	(9.02)	(17.3%)
2	CQ400 New Rail Car Procurement	Vehicles	49.29	55.29	6.00	10.8%
3	CPMO (SGR)	Non-Asset	23.56	24.00	0.44	1.8%
4	Parking Lot Repair	Facilities & Stations	20.39	20.71	0.31	1.5%
5	Clayton Bus Maintenance Facility	Facilities & Stations	16.23	17.10	0.87	5.1%
6	Escalators Rehabilitation	Systems	12.76	14.36	1.60	11.1%
7	Radio System Upgrade Program	Systems	10.68	11.10	0.42	3.8%
8	Train Control Systems Upgrade	Systems	10.50	11.40	0.90	7.9%
9	Track Renovation Phase IV	MOW	9.82	8.51	(1.31)	(15.4%)
10	MARTA Site Relocation	Facilities & Stations	8.10	13.10	4.99	38.1%
Total - Top 10 Projects			222.49	227.68	5.20	2.3%

Capital Sources and Uses by Category - More MARTA - City of Atlanta
Year-To-Date thru June 2024
(\$ in Millions)

	YTD ACTUAL	YTD BUDGET	BUDGET VARIANCE	
	[A]	[B]	[C] = [A] - [B]	%
SOURCES OF FUNDS				
Beginning Balance (Including Reserves)	216.5	175.4	41.1	23.4%
Sales Tax	55.8	53.7	2.0	3.8%
Federal/State Funds	4.8	49.5	(44.8)	(90.4%)
Other Revenue	10.0	3.5	6.5	185.1%
Total Sources of Funds	287.0	282.2	4.9	1.7%
	YTD ACTUAL	YTD BUDGET	BUDGET VARIANCE	
	[A]	[B]	[C] = [B] - [A]	%
USES				
Expansion	37.8	218.0	180.2	82.7%
Total Uses	37.8	218.0	180.2	82.7%

Top Projects by Expenditures - More MARTA - City of Atlanta
Year-To-Date thru June 2024
(\$ in Millions)

#	Project Name	Category	YTD ACTUAL	YTD BUDGET	BUDGET VARIANCE	
			[A]	[B]	[C] = [B] - [A]	%
1	MARTA Rapid Summerhill	Expansion	22.48	48.00	25.52	53.2%
2	Five Points Station Transformation	Expansion	11.43	62.00	50.57	81.6%
3	Cleveland Ave/Metropolitan Pwky (ART)	Expansion	1.96	30.00	28.04	93.5%
4	Clifton Corridor (HCT)	Expansion	1.75	27.00	25.25	93.5%
5	MARTA Rapid Campbellton/Greenbriar	Expansion	0.82	17.81	16.98	95.4%
6	Streetcar East Extension (LRT)	Expansion	0.36	12.00	11.64	97.0%
7	More MARTA Atlanta Program	Expansion	0.10	1.00	0.90	90.0%
Subtotal - Top Projects			38.90	197.81	158.91	80.3%
Total - All Projects¹			37.82			

¹Outside the Top 10 Projects, Bankhead Platform Extension posted \$971,649.05 in accrual reversals in Jul 2023, which were paid partially against 31490.

Capital Sources and Uses by Category - More MARTA - Clayton County
Year-To-Date thru June 2024
(\$ in Millions)

	YTD ACTUAL	YTD BUDGET	BUDGET VARIANCE	
	[A]	[B]	[C] = [A] - [B]	%
SOURCES OF FUNDS				
Beginning Balance (Including Reserves)	216.7	210.0	6.7	3.2%
Sales Tax	34.6	33.4	1.3	3.8%
Federal/State Funds	0.4	2.1	(1.7)	(80.1%)
Other Revenue	10.1	4.7	5.4	113.8%
Total Sources of Funds	261.8	250.2	11.6	4.6%
	YTD ACTUAL	YTD BUDGET	BUDGET VARIANCE	
	[A]	[B]	[C] = [B] - [A]	%
USES				
Expansion	8.7	28.7	20.0	69.6%
Total Uses	8.7	28.7	20.0	69.6%

Top Projects by Expenditures - Clayton County Expansion
Year-To-Date thru June 2024
(\$ in Millions)

#	Project Name	Category	YTD ACTUAL	YTD BUDGET	BUDGET VARIANCE	
			[A]	[B]	[C] = [B] - [A]	%
1	Clayton Multipurpose O&M	Expansion	3.65	2.26	(1.40)	(61.9%)
2	MARTA Rapid Southlake	Expansion	2.85	18.00	15.15	84.1%
3	Justice Center Transit Hub	Expansion	1.73	1.00	(0.73)	(73.4%)
4	MARTA Rapid SR54	Expansion	0.30	4.70	4.40	93.7%
5	CPMO Clayton County Comm	Expansion	0.19	0.50	0.31	62.4%
Total - Top Projects			8.73	26.46	17.73	67.0%



Thank You

