



BOARD OF DIRECTORS

METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

BUSINESS MANAGEMENT COMMITTEE

THURSDAY, MARCH 25, 2021

ATLANTA, GEORGIA

via WebEx

MEETING MINUTES

Committee Chair Roderick Frierson called the meeting to order at 11:28 a.m.

Board Members Present	Staff Members Present
Roberta Abdul-Salaam	Jeffrey Parker
Stacy Blakley	Collie Greenwood
Jim Durrett	Elizabeth O'Neill
William Floyd	Franklin Rucker
Roderick Frierson, Chair	Rhonda Allen
Freda Hardage	Raj Srinath
Al Pond	Luz Borrero
Rita Scott	
Thomas Worthy	

Also in attendance: Board General Counsel Justice Leah Ward Sears of Smith, Gambrell & Russell, LLP; other staff members: LaShanda Dawkins, Kirk Talbott, Donna Jennings, George Wright, Santiago Osorio, Kevin Hurley, Dean Mallis, Paula Nash, Miles Turpin, Roosevelt Stripling, Patricia Lucek, Gena Major, Keri Lee, Tyrene Huff and Board Techs, LaTonya Pope, Courtne Middlebrooks and Abebe Girmay.

Approval of the February 25, 2021, Business Management Committee Meeting Minutes

Chair Frierson called for a motion to approve the February 25, 2021 meeting minutes. Board Member Durrett made a motion to approve, seconded by Board Member Worthy. The minutes were approved unanimously by a vote of 9 to 0.

Resolution Authorizing the Solicitation of Proposals for the Procurement of Property & Casualty Insurance Brokerage Services *[Presentation attached]*

Donna Jennings, Director Risk Management, presented the above resolution for

approval. On a motion by Board Member Durrett, seconded by Board Member Blakley, the resolution was approved unanimously by a vote of 9 to 0.

Other Matters

FY 2021 January Financial Highlights and Financial Performance Indicators
[Presentation attached]

Committee Chair Frierson advised the Committee to review the FY 2021 January Financial Highlights and Financial Performance Indicators listed as information only in their packet.

Adjournment

The Committee meeting adjourned at 11:37 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Tyrene L. Huff". The signature is written in a cursive style.

Tyrene L. Huff
Assistant Secretary to the Board

Request to Solicit RFP P48464 Property and Casualty Insurance Brokerage Services

Business Management Committee Meeting March 25, 2021



Purpose

- Act as Authority's representative in the property and casualty insurance markets
- Obtain quotes for insurance coverage for all aspects of Authority operations
- Recurring contract
- Replaces RFP 36396



Updated Sept 2019

Scope of Services

Obtain quotes on following lines of coverage:

- Property
- Liability
- Cyber liability
- Excess Workers' Compensation
- Crime
- Property and Liability coverage for large construction projects/ OCIP/CCIP



Scope of Services

- Provide administrative services for Station Rehabilitation OCIP program
- Negotiate best terms, conditions and price for coverage
- Issue certificates of insurance
- Support review of contracts for risk transfer
- Provide excess claims reporting support
- Act as insurance market liaison



Contract Term and Cost

- Proposed contract Term
 - 2 Year Base
 - 3 One Year Options
 - Total Term 5 Years
- Estimated Cost \$ 475,000





Thank You



Financial Highlights

January 2021

Year-To-Date (YTD) Operations Performance

January 31, 2021

(\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
Net Revenues	370.3	362.0	8.3	2.3%
Net Expenses	273.5	315.9	42.4	13.4%
Net Surplus	96.8	46.1	50.7	

COMMENTS

- Net Revenues have outperformed budget by \$8.3M through January 2021
- Net Expenses have under performed budget by \$42.4M through January 2021
- The net surplus from July 2021 through January 2021 was \$96.8M as compared to a \$50.7M YTD budgeted surplus
- Please note that CARES Act Revenues of \$105.5M is a key driver in performance of the revenues

Year-To-Date (YTD) Operating Revenues and Expenses

January 31, 2021

(\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
REVENUES				
Sales Tax	152.6	141.4	11.2	7.9%
Title Ad Valorem Tax	19.5	14.2	5.3	37.3%
Federal Assistance	51.8	51.3	0.5	1.0%
Federal Assistance-CARES Act	105.5	87.5	18.0	20.6%
Passenger Revenue	23.7	55.3	(31.6)	-57.1%
Lease Income	5.6	5.3	0.3	5.7%
Station Parking	0.3	1.5	(1.2)	-80.0%
Other Revenues	11.3	5.5	5.8	105.5%
Net Operating Revenues	370.3	362.0	8.3	2.3%
EXPENSES				
Salaries and Wages	134.1	152.7	18.6	12.2%
Overtime	15.1	17.0	1.9	11.2%
Total Benefits	64.4	85.7	21.3	24.9%
Contractual Services	41.2	53.8	12.6	23.4%
Total Materials and Supplies	24.2	26.3	2.1	8.0%
Other Non-Labor	22.0	21.1	(0.9)	-4.3%
Gross Operating Expenses	301.0	356.6	55.6	15.6%
Less: Capital Charges	27.5	40.7	(13.2)	-32.4%
Net Operating Expenses	273.5	315.9	42.4	13.4%

REVENUE COMMENTS – YTD revenues were \$8.3M over budget

- Sales tax performance is \$11.2M above budget. MARTA Budget estimates were a 6.4% reduction from the GSUEFC forecast while actual performance is 1.5% reduction
- CARES Act Revenues to date are \$18.0M above budget due to draw execution being 20.6% faster than anticipated
- Other Revenues is \$5.8M higher than budget due to receiving multiple years of the Natural Gas tax credit in FY21
- Passenger Revenue executed at \$31.6M below budget for FY21 is the largest negative impact on Revenues

EXPENSE COMMENTS – YTD expenses were \$42.3M under budget

- Salary and wages performed under budget by \$18.5M primarily due to vacancies (427 Vacant Positions)
- Total benefits are a combined \$21.3M under budget for the year due to the 427 vacancies coupled with a reduction in healthcare pricing in the new contract with Anthem
- Contractual services were \$12.6M below budget largely due to the COVID-19 driven reduction in ridership resulting in lower contractual service costs for paratransit operations

Current Month Operations Performance January 31, 2021

(\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
Net Revenues	51.7	55.2	(3.5)	-6.3%
Net Expenses	42.7	45.3	2.6	5.7%
Net Surplus	9.0	9.9	(0.9)	

COMMENTS

- Revenues for the month of January are \$3.5M below budget for the month
- Expenses for the month of January are \$2.6M below Budget for the month
- The net surplus for the month of January was \$9M which was 900K lower than the budgeted surplus of \$9.9M for the month

Current Month Operating Revenues and Expenses

January 31, 2021

(\$ in Millions)

	Actual	Budget	Variance	
	\$	\$	\$	%
REVENUES				
Sales Tax	25.3	23.5	1.8	7.7%
Title Ad Valorem Tax	2.8	2.2	0.6	27.3%
Federal Assistance	6.1	6.1	0.0	0.0%
Federal Assistance-CARES Act	12.5	12.5	0.0	0.0%
Passenger Revenue	3.6	9.2	(5.6)	-60.9%
Lease Income	0.8	0.8	0.0	0.0%
Station Parking	0.0	0.2	(0.2)	-100.0%
Other Revenue	0.6	0.7	(0.1)	-14.3%
Net Operating Revenues	51.7	55.2	-3.5	-6.3%
EXPENSES				
Salaries and Wages	16.1	22.0	5.9	26.8%
Overtime	1.5	2.4	0.9	37.5%
Total Benefits	14.6	12.3	(2.3)	-18.7%
Contractual Services	4.7	7.7	3.0	39.0%
Total Materials and Supplies	3.1	3.7	0.6	16.2%
Other Non-Labor	6.0	3.0	(3.0)	-100.0%
Gross Operating Expenses	46.0	51.1	5.1	10.0%
Less: Capital Charges	3.3	5.8	(2.5)	-43.1%
Net Operating Expenses	42.7	45.3	2.6	5.7%

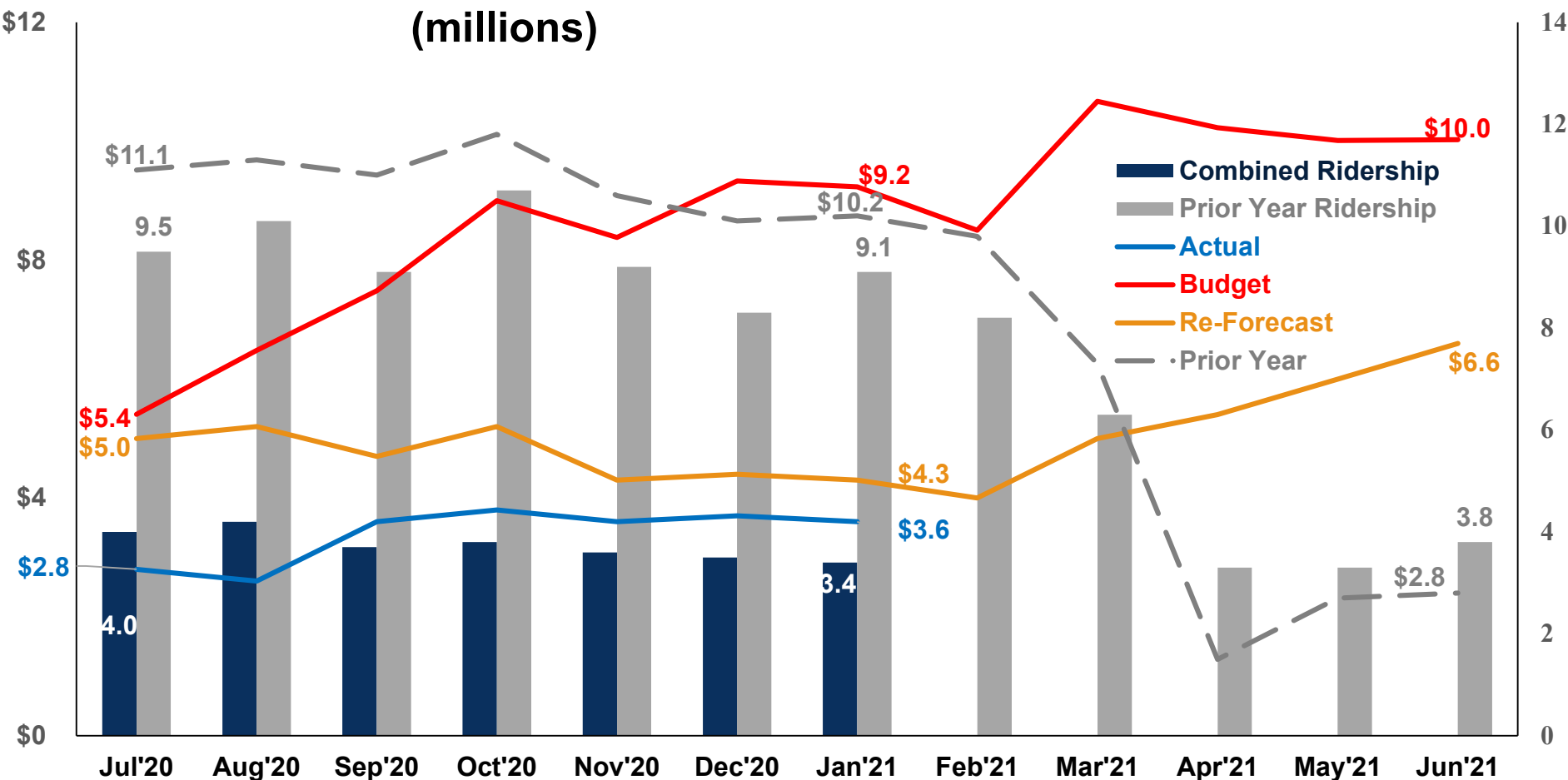
REVENUE COMMENTS – Monthly revenues were \$3.5M under budget

- Sales tax performance is \$1.8M above budget for January
- CARES Act Revenues for the month was on target at \$12.5M
- Other Revenue was slightly lower than budget at \$.6M
- Passenger Revenue executed at \$5.6M below budget for January and is the largest driver of revenues performing under budget for the month

EXPENSE COMMENTS – Monthly expenses were \$2.6M under budget

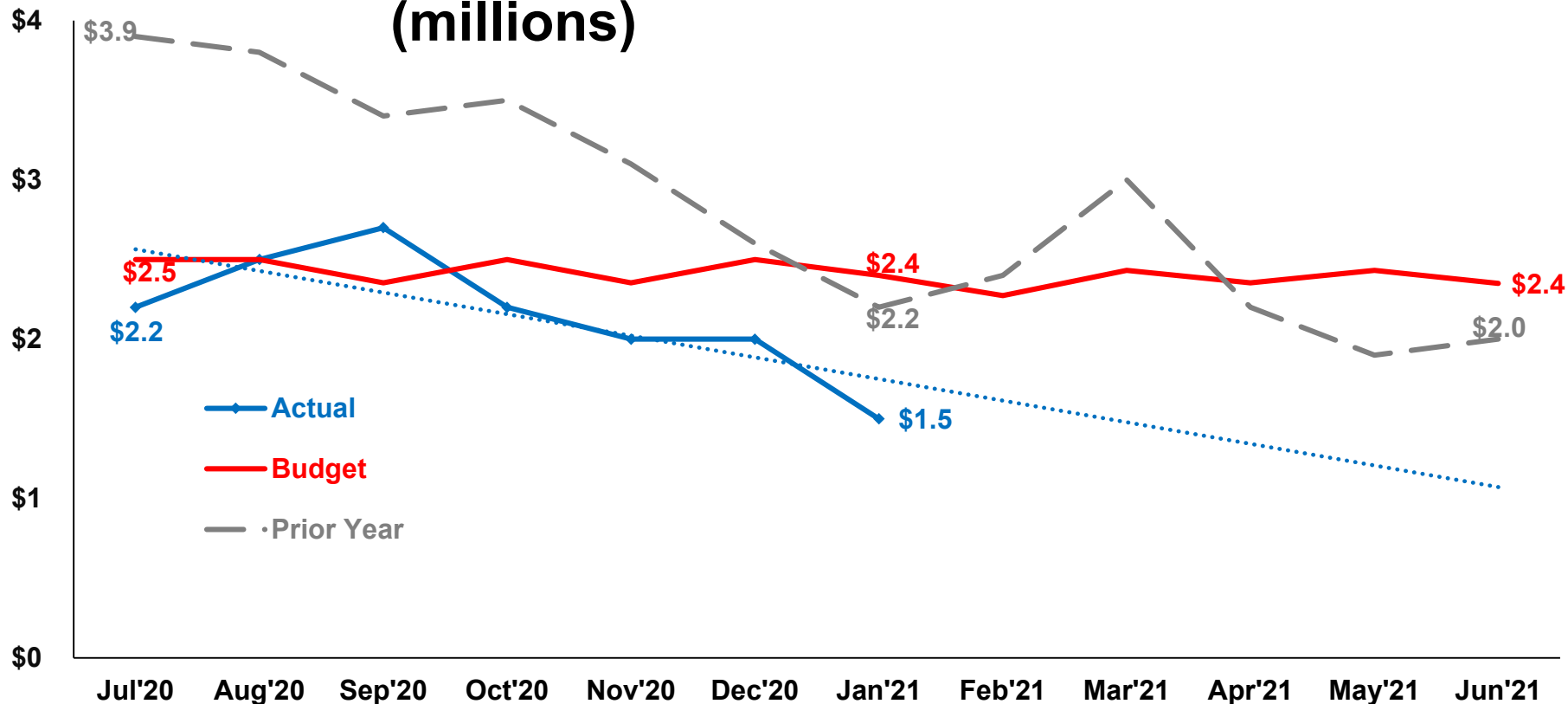
- Salary and wages performed under budget by \$5.9M primarily due to vacancies (427 Vacant Positions)
- Due to timing of healthcare payments, Total Benefits costs were \$2.3M higher than budget for the month of January, but YTD are still \$21.3M under budget
- Contractual services were \$3.0M below budget largely due to the COVID-19 driven reduction in ridership resulting in lower contractual service costs for paratransit operations

Passenger Revenues/Combined Ridership (millions)



- January Ridership was down 5.7M unlinked trips from prior year January
- FY21 Ridership was initially rising slightly on a month-to-month basis but suffered a slightly negative trend from September through January

Overtime Expenses (millions)



- **January Overtime expenses are \$0.9M under budget and \$0.7M lower than prior year January**
 - The top four consumers of overtime, Bus, Rail, Police, and IT have reduced their use of overtime significantly over prior year
- **The prior year declining trend is continuing in FY21**

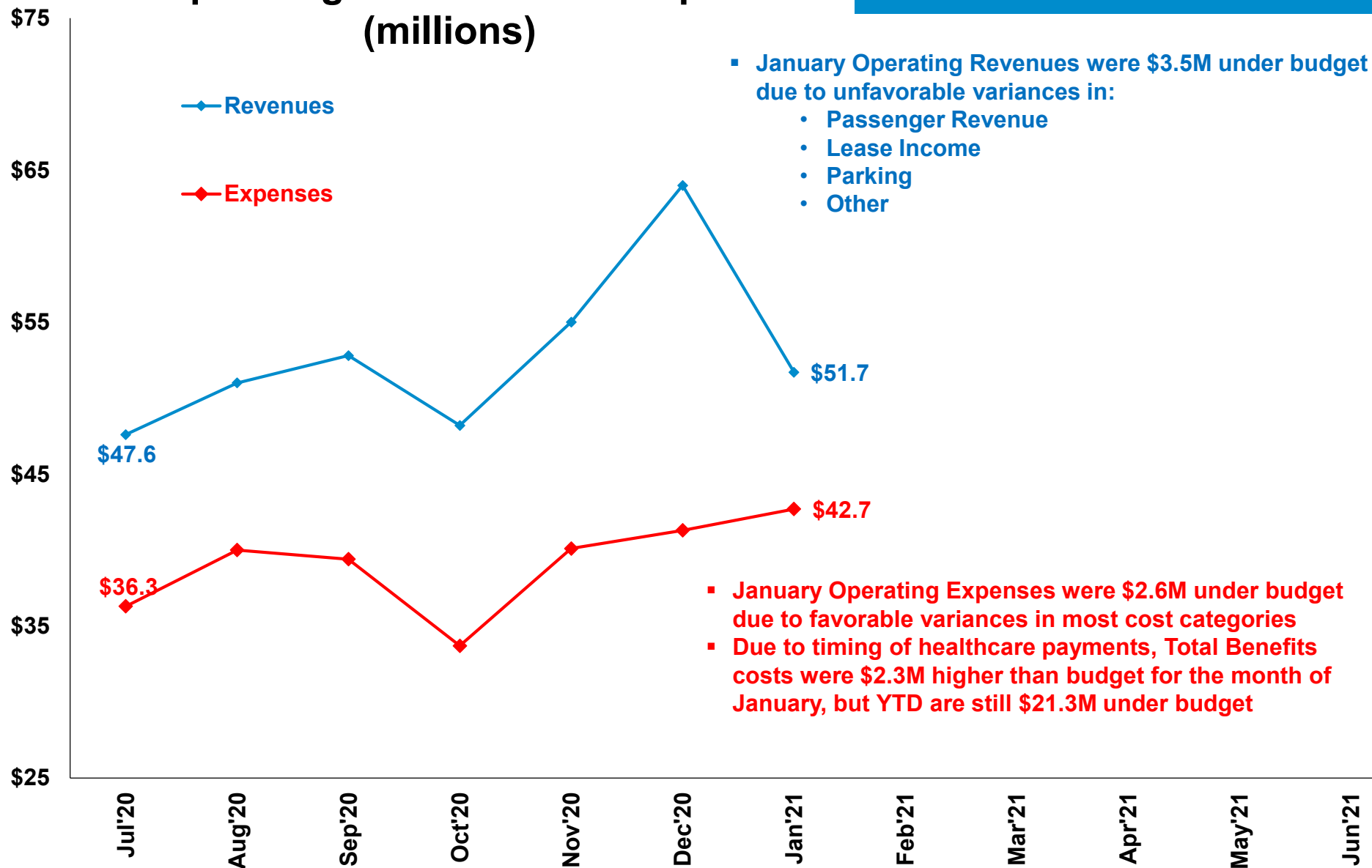


Thank You

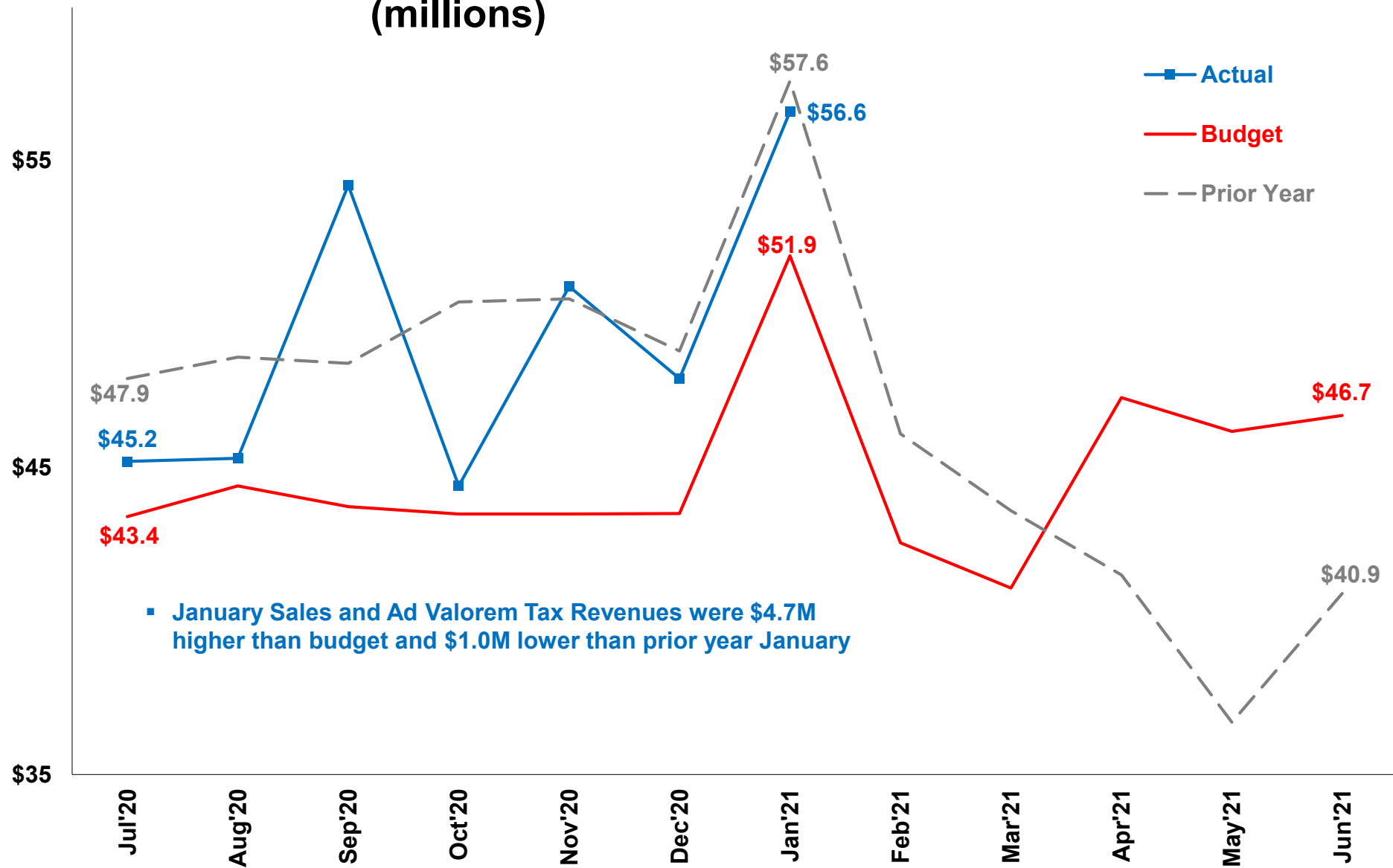


January FY21 Financial Performance

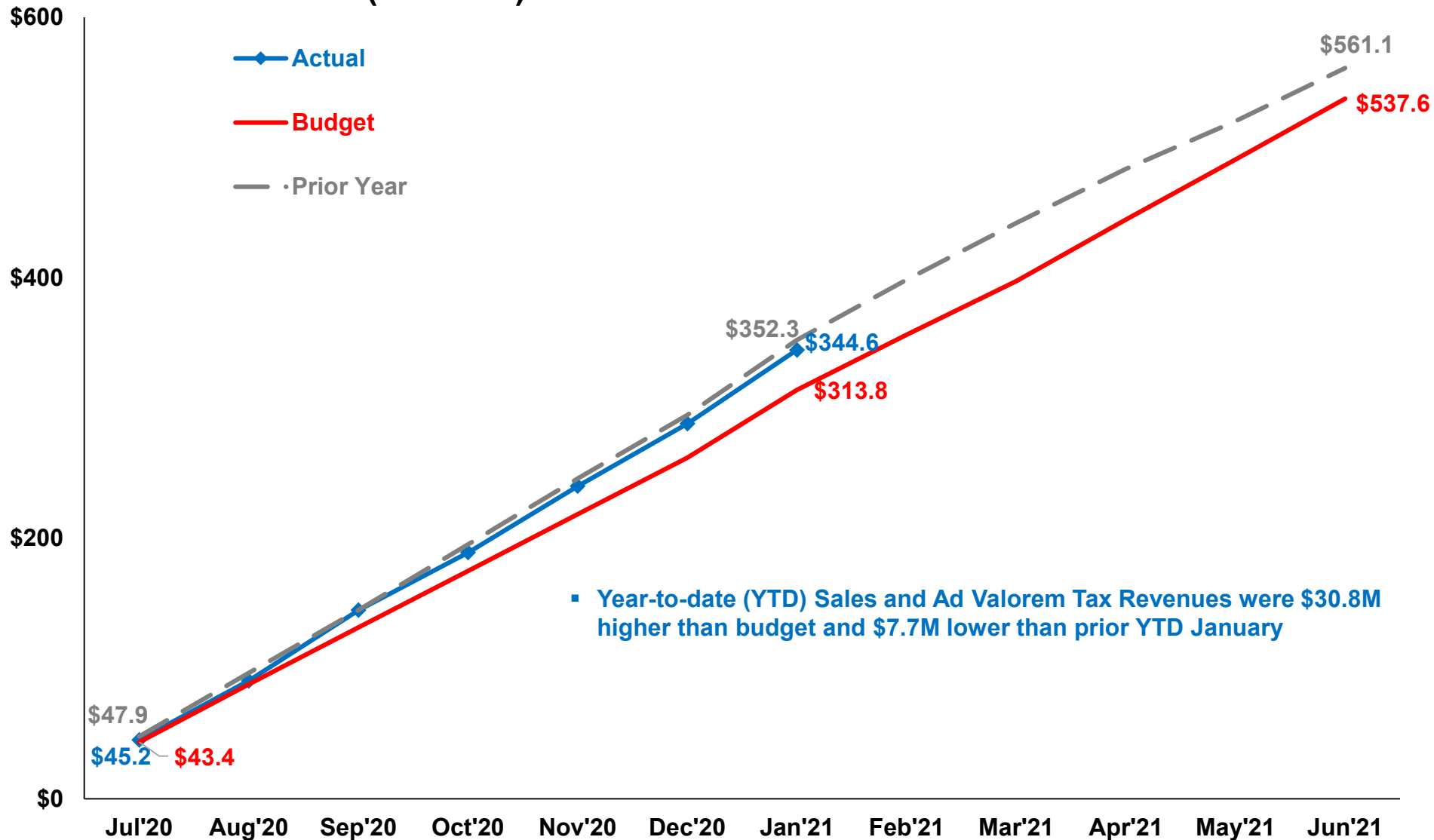
Net Operating Revenues and Expenses (millions)



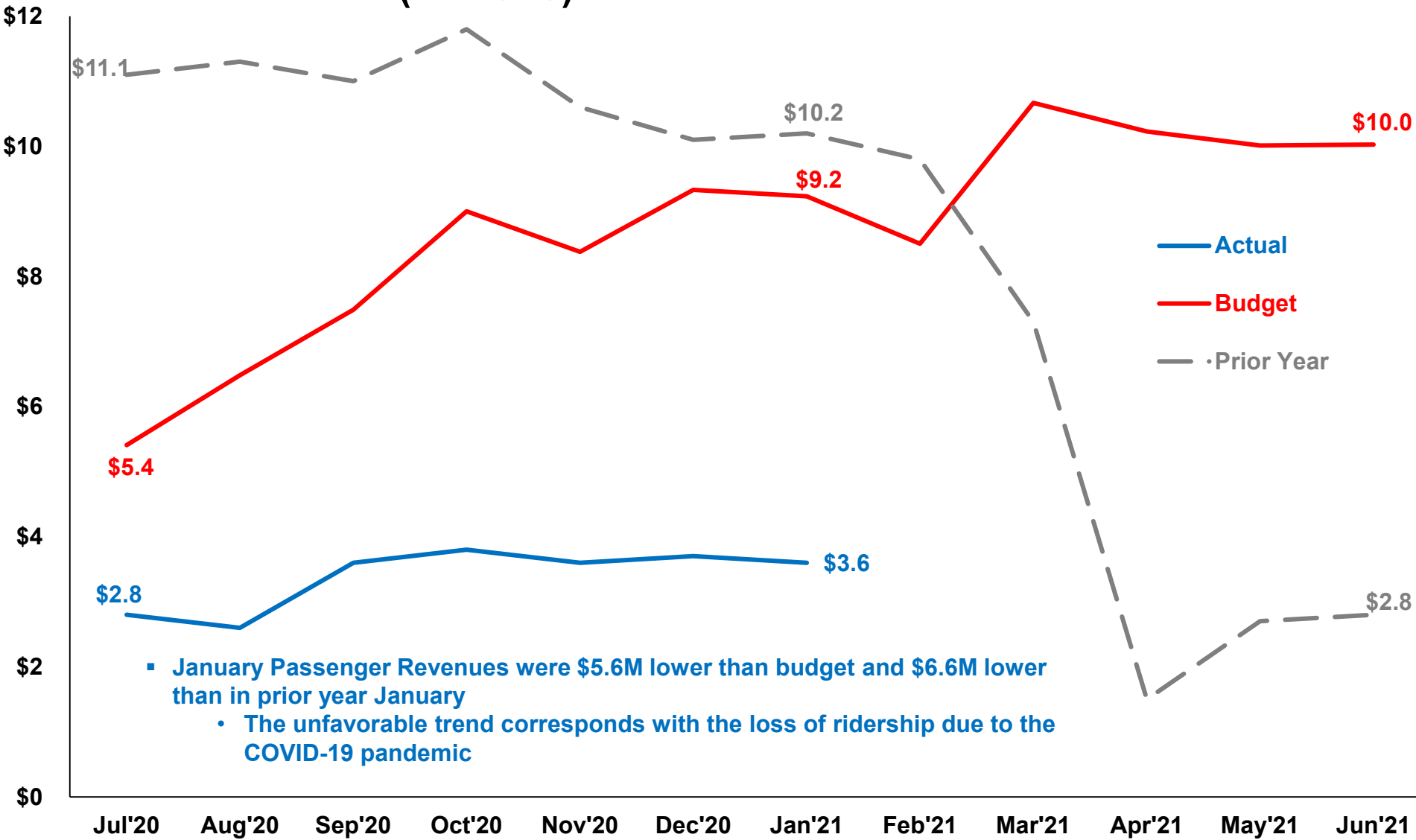
Sales and Ad Valorem Tax Revenues (millions)



Cumulative Sales and Ad Valorem Tax Revenues (millions)



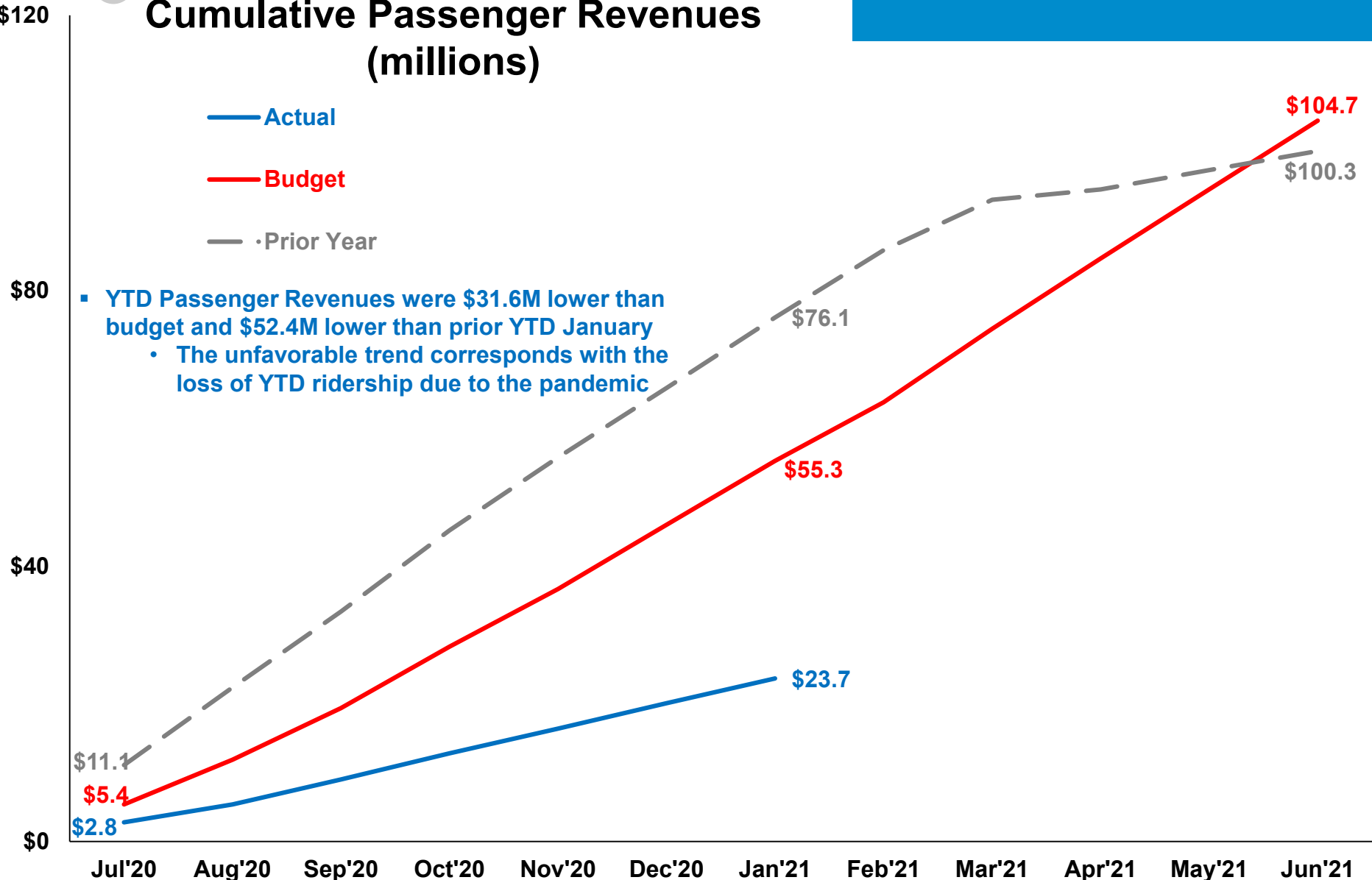
Passenger Revenues (millions)



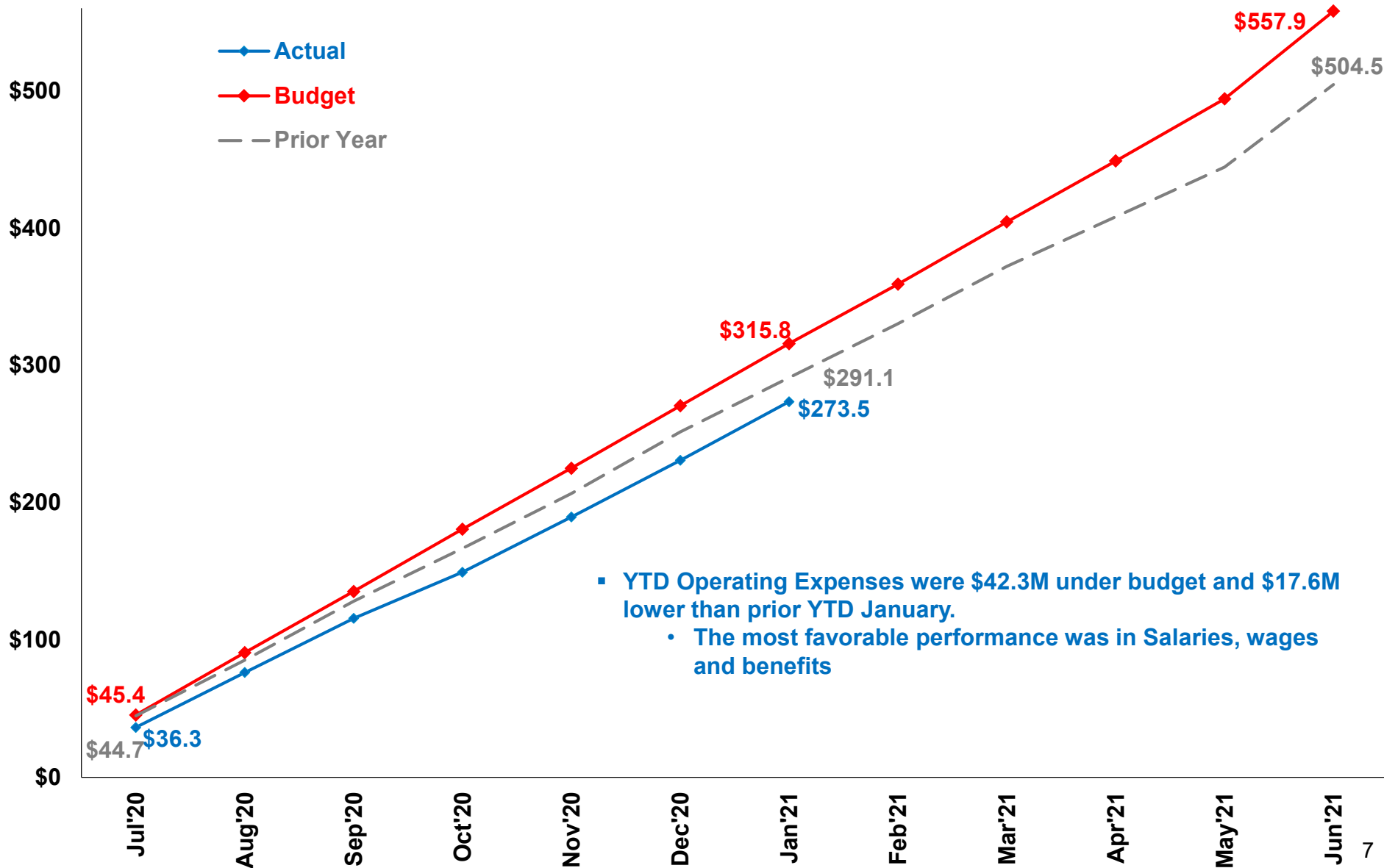
Cumulative Passenger Revenues (millions)

— Actual
 — Budget
 - - - Prior Year

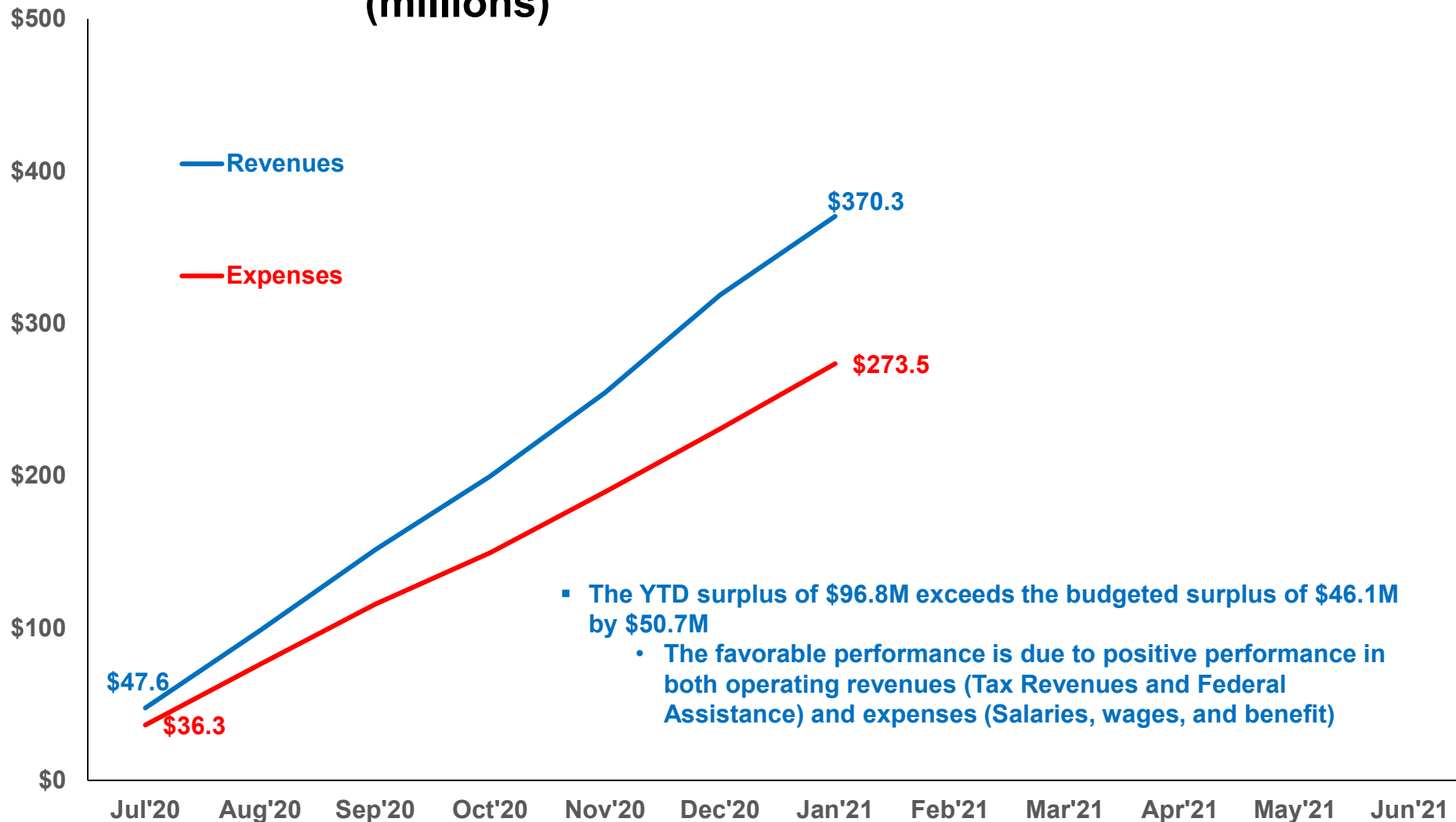
- YTD Passenger Revenues were \$31.6M lower than budget and \$52.4M lower than prior YTD January
 - The unfavorable trend corresponds with the loss of YTD ridership due to the pandemic



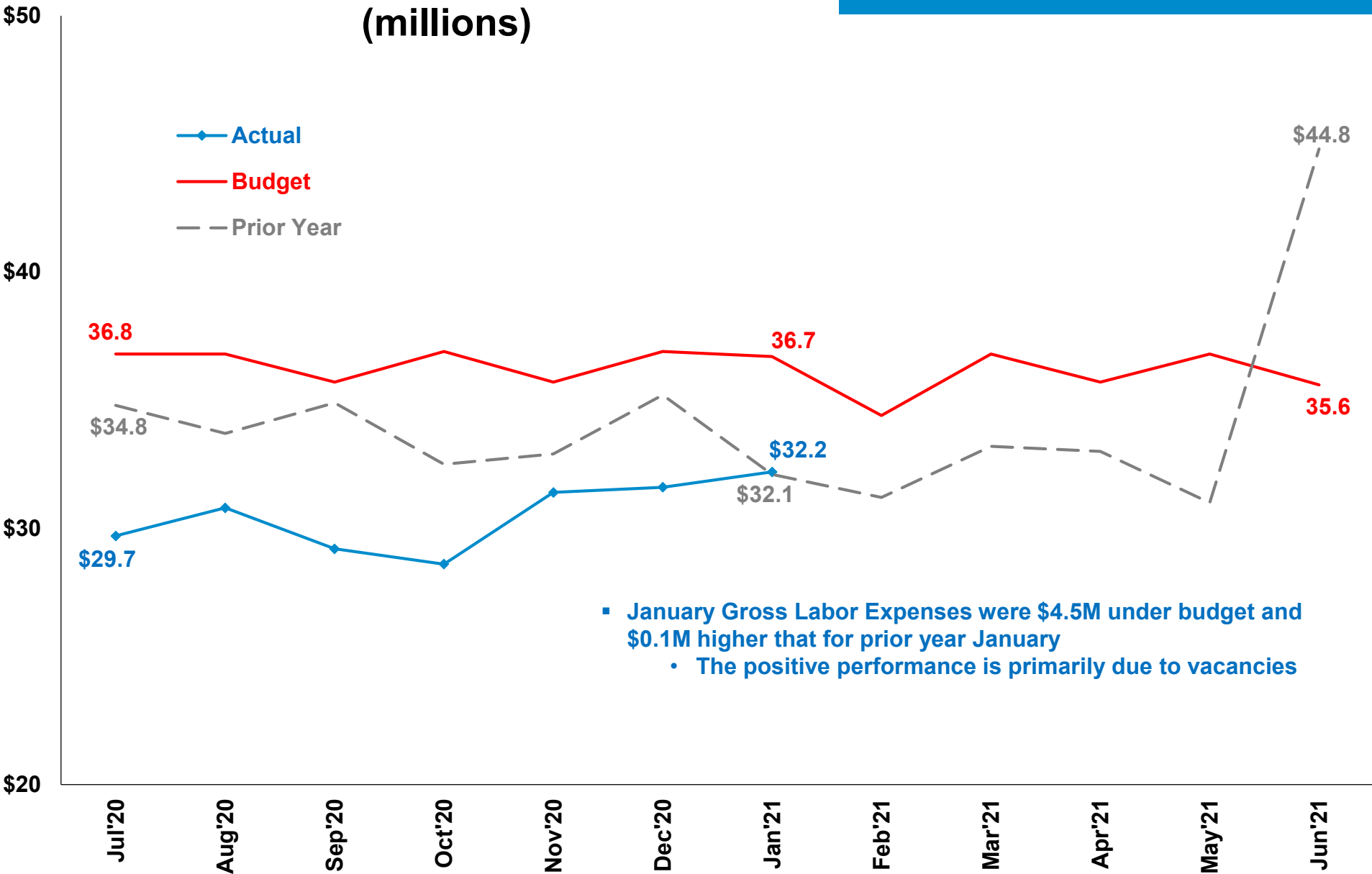
Cumulative Net Operating Expenses (millions)



Cumulative Net Operating Revenues & Expenses (millions)

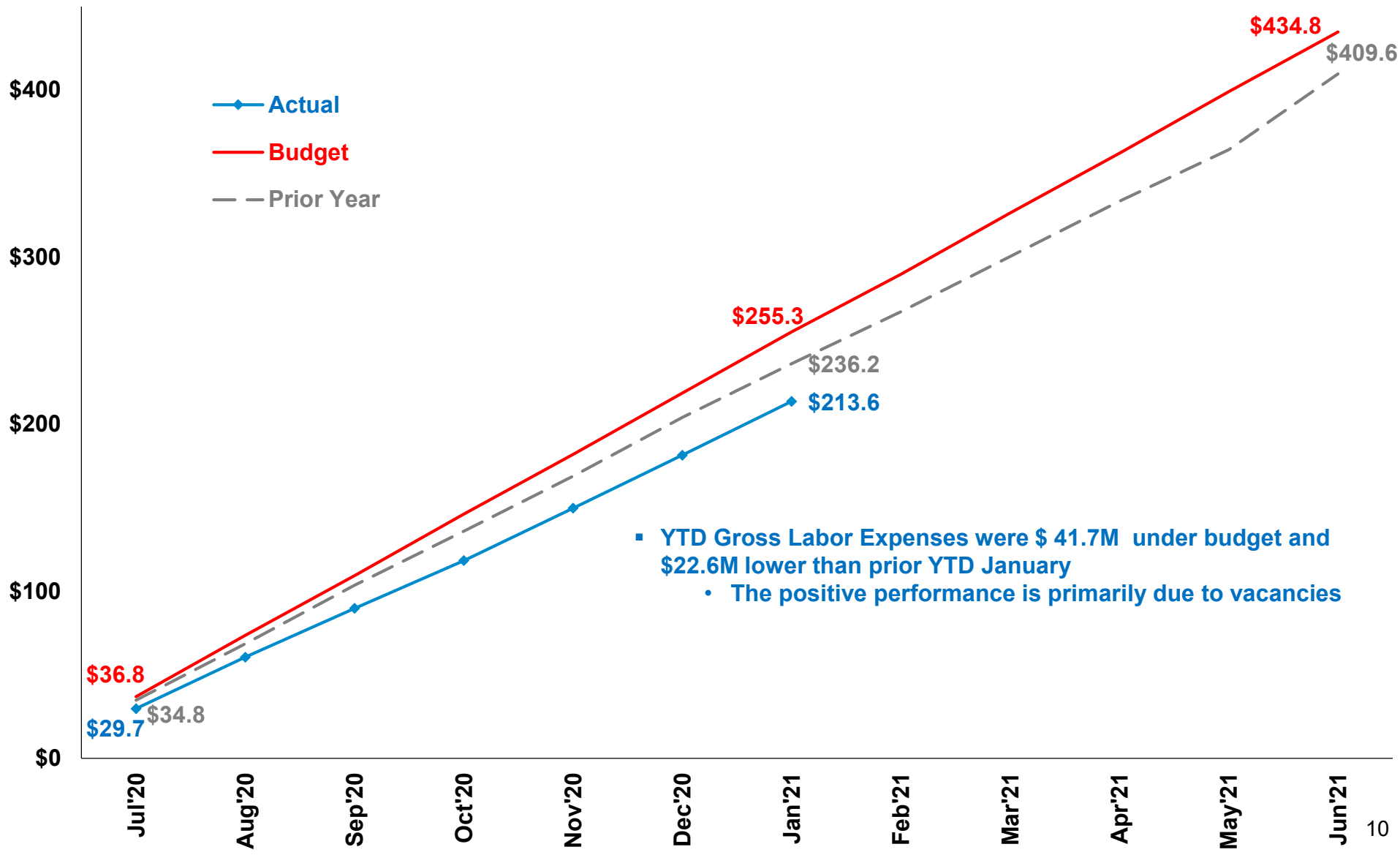


Gross Labor Expenses (millions)



- January Gross Labor Expenses were \$4.5M under budget and \$0.1M higher than that for prior year January
 - The positive performance is primarily due to vacancies

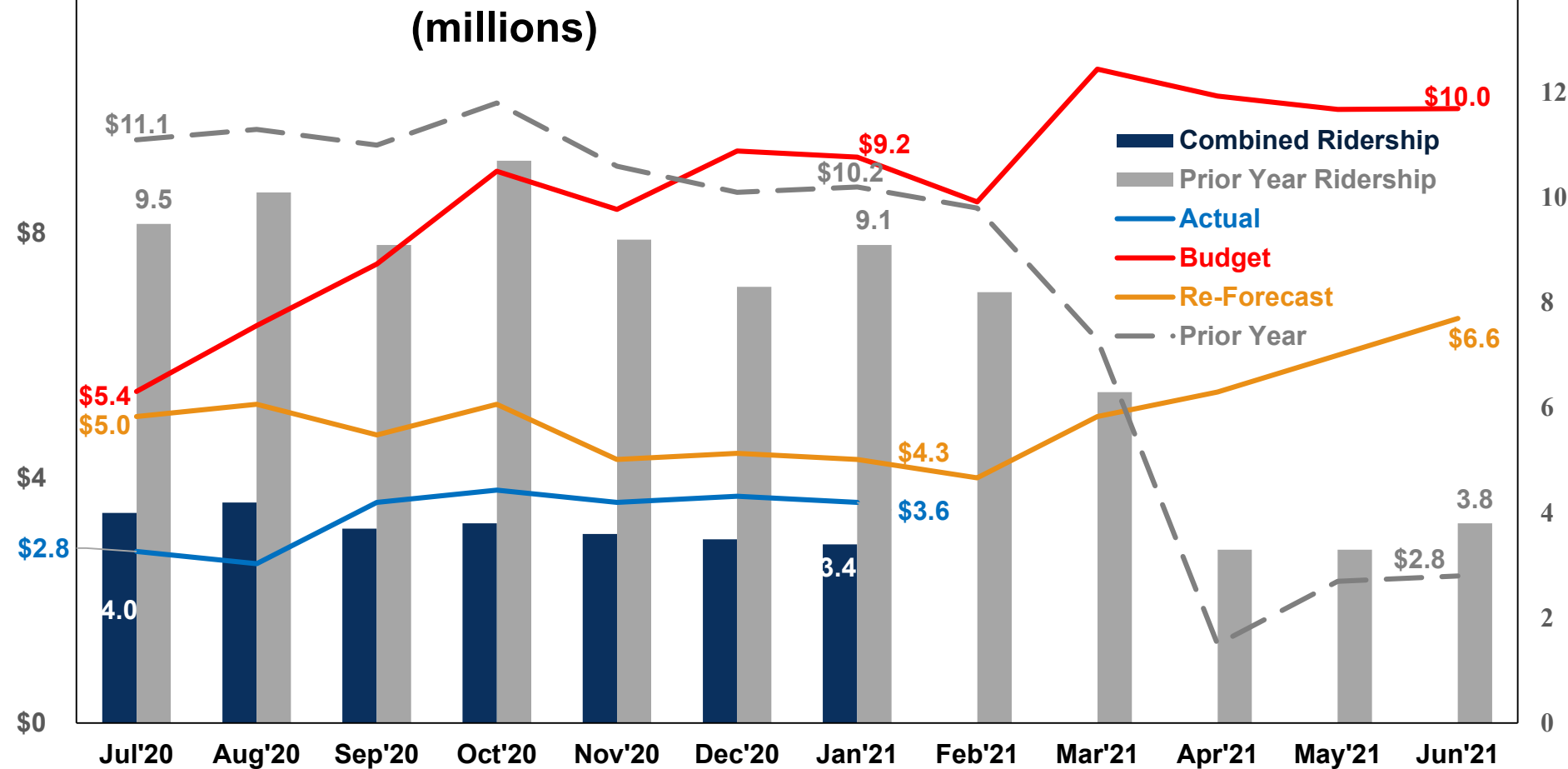
Cumulative Gross Labor Expenses (millions)



\$12

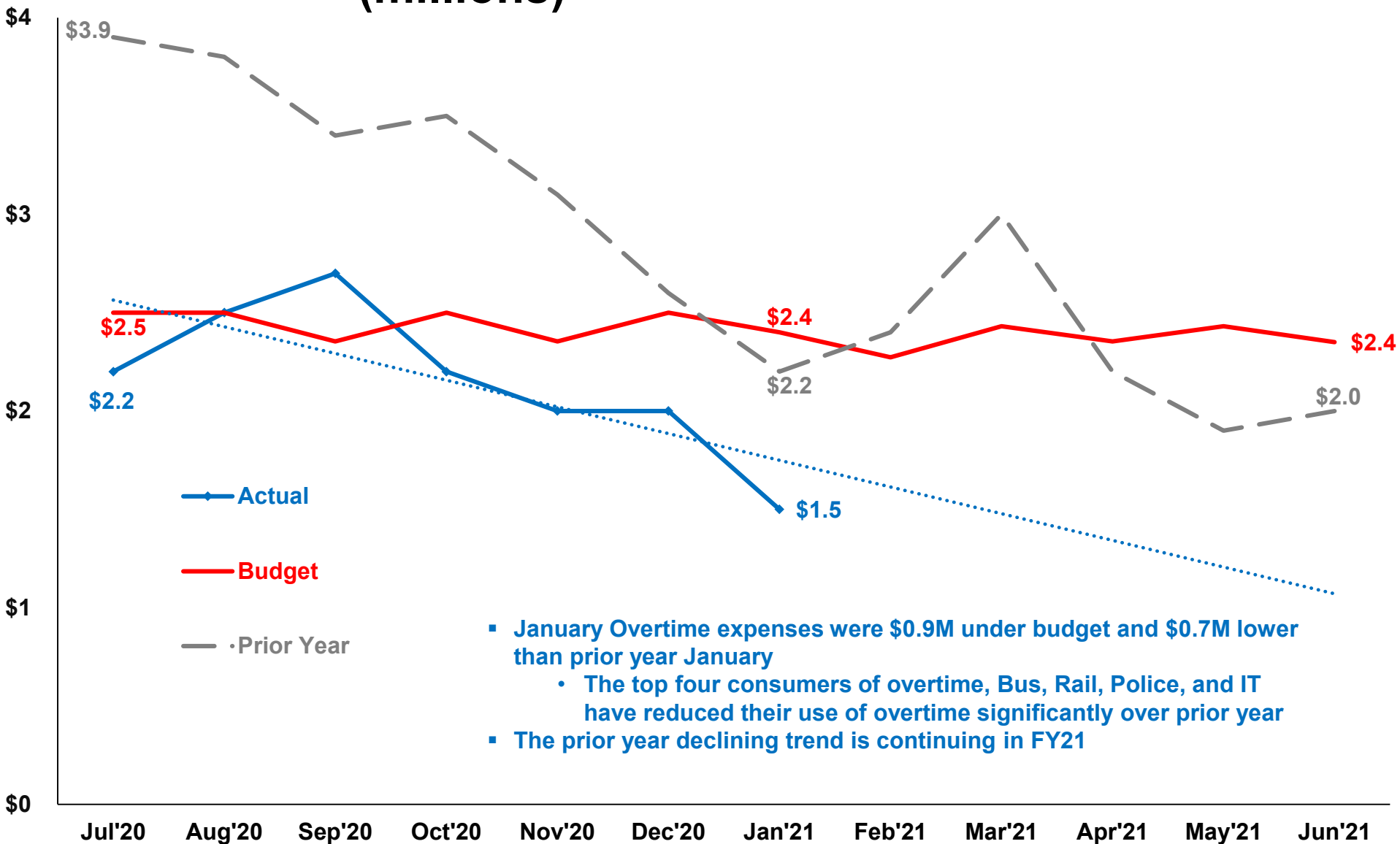
Passenger Revenues/Combined Ridership (millions)

14



- January Ridership was down 5.7M unlinked trips from prior year January
- FY21 Ridership was initially rising slightly on a month-to-month basis but suffered a slightly negative trend from September through January

Overtime Expenses (millions)



- January Overtime expenses were \$0.9M under budget and \$0.7M lower than prior year January
 - The top four consumers of overtime, Bus, Rail, Police, and IT have reduced their use of overtime significantly over prior year
- The prior year declining trend is continuing in FY21