

# RIDERS' ADVISORY COUNCIL

## MARTA'S GOVERNANCE & Finance

Presented by: Kevin Hurley – Interim Chief Financial Officer

# About Interim CFO Kevin Hurley



- ✓ Over 28 years of finance experience
- ✓ Joined MARTA June 1999 – Successfully served in progressive positions of responsibility from Sr. Financial Analyst to Interim CFO
- ✓ Previously worked at The Boeing Company (Military Tanker and Transport) – Selected for the Leadership Development Program
- ✓ Served Eight years in the United States Air Force – Comptroller and Flight Commander



# DEPARTMENT OF FINANCE



# About MARTA Finance



## Department of Finance



Full-time Employees



Part-Time Employees



Offices within Finance

# MARTA Finance Responsibilities



- ✓ Financial Planning and Analysis
- ✓ Cash and Investment Management
- ✓ Accounts Payable and Receivable
- ✓ Payroll
- ✓ Cost Analysis
- ✓ General Ledger and Financial Reporting
- ✓ Property (Fixed Assets)
- ✓ Accounting System Administration
- ✓ Revenue Collection and Processing
- ✓ Media Sales
- ✓ Revenue Settlement and Clearinghouse
- ✓ Parking Services
- ✓ Operating and Capital Budgets
- ✓ Strategic Performance Management
- ✓ Financial Systems
- ✓ Capital Improvement Program Management & Oversight



# GOVERNANCE AND FUNDING



# How MARTA Was Created



## MARTA Act of 1965

- ✓ Defines governance structure – Board of Directors
- ✓ Authorizes levy of 1-cent sales tax subject to voter referendum
- ✓ Authorizes execution of transportation services contract (bus services only) with any county within five-county region
- ✓ Permits provision of transportation services across state (except rail)
- ✓ Provides for jurisdictions to enter into Rapid Transit Contract



# MARTOC COMMITTEE

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- ✓ Oversight Established by the Georgia Legislature
- ✓ Metropolitan Atlanta Rapid Transit Overview Committee (MARTOC)
  - Joint (House/Senate) committee
  - Comprised of 12 legislators





# Funding Jurisdictions



# Board of Directors Composition



JANUARY 1, 2017 AND AFTER

## Voting Members



DeKalb  
appointees



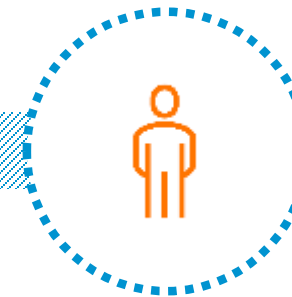
Fulton  
appointees



COA  
appointees



Clayton  
appointees



Governor  
appointee;  
in MARTA  
jurisdiction

Non-Voting



GDOT  
Commissioner

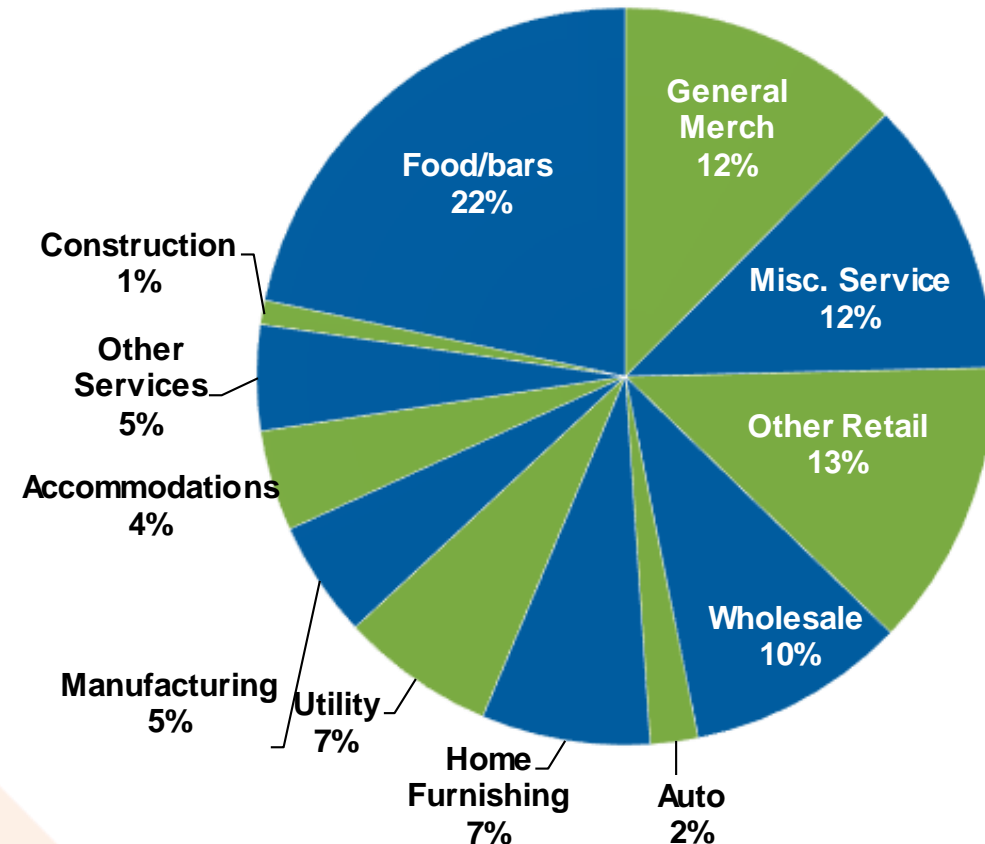


GRTA  
Executive Director

# MARTA Tax Distributions



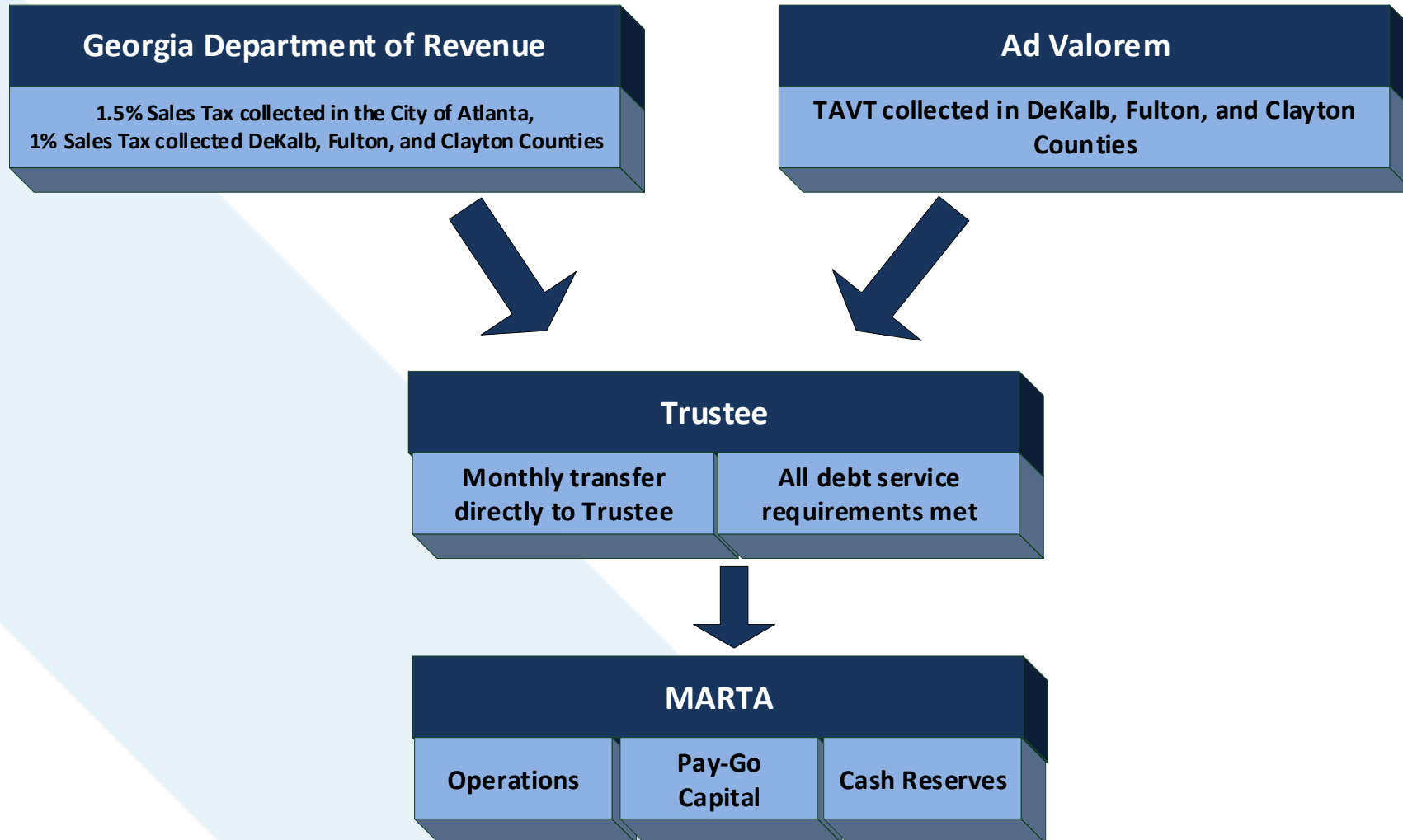
- ✓ 1% Sales Tax collected from Clayton, DeKalb, and Fulton Counties and 1.5% Sales Tax collected from City of Atlanta
- ✓ Vehicle TAVT received from Clayton, DeKalb & Fulton Counties
- ✓ Broad and balanced - low reliance on volatile sectors \*



Source: Georgia Department of Revenue, Calendar Year 2019 Sales Tax Commodity Report

\* Jurisdiction areas of DeKalb, Fulton and Clayton Counties and City of Atlanta

# MARTA Flow of Funds



# MARTA: Funding Since Inception

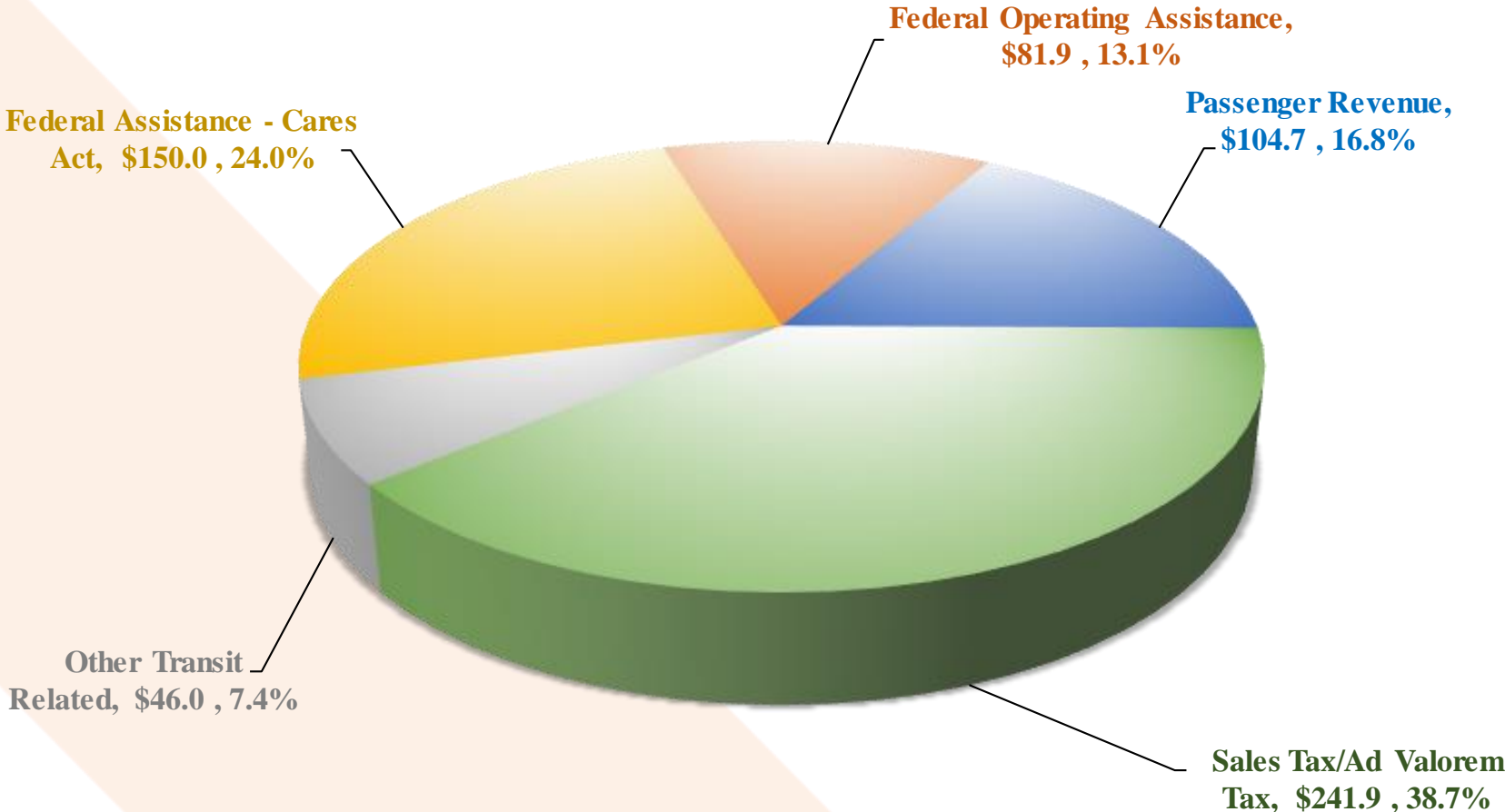


**\$11,388,044,018**  
of  
**Investment since 1973**

# MARTA APPLICATION OF FUNDS

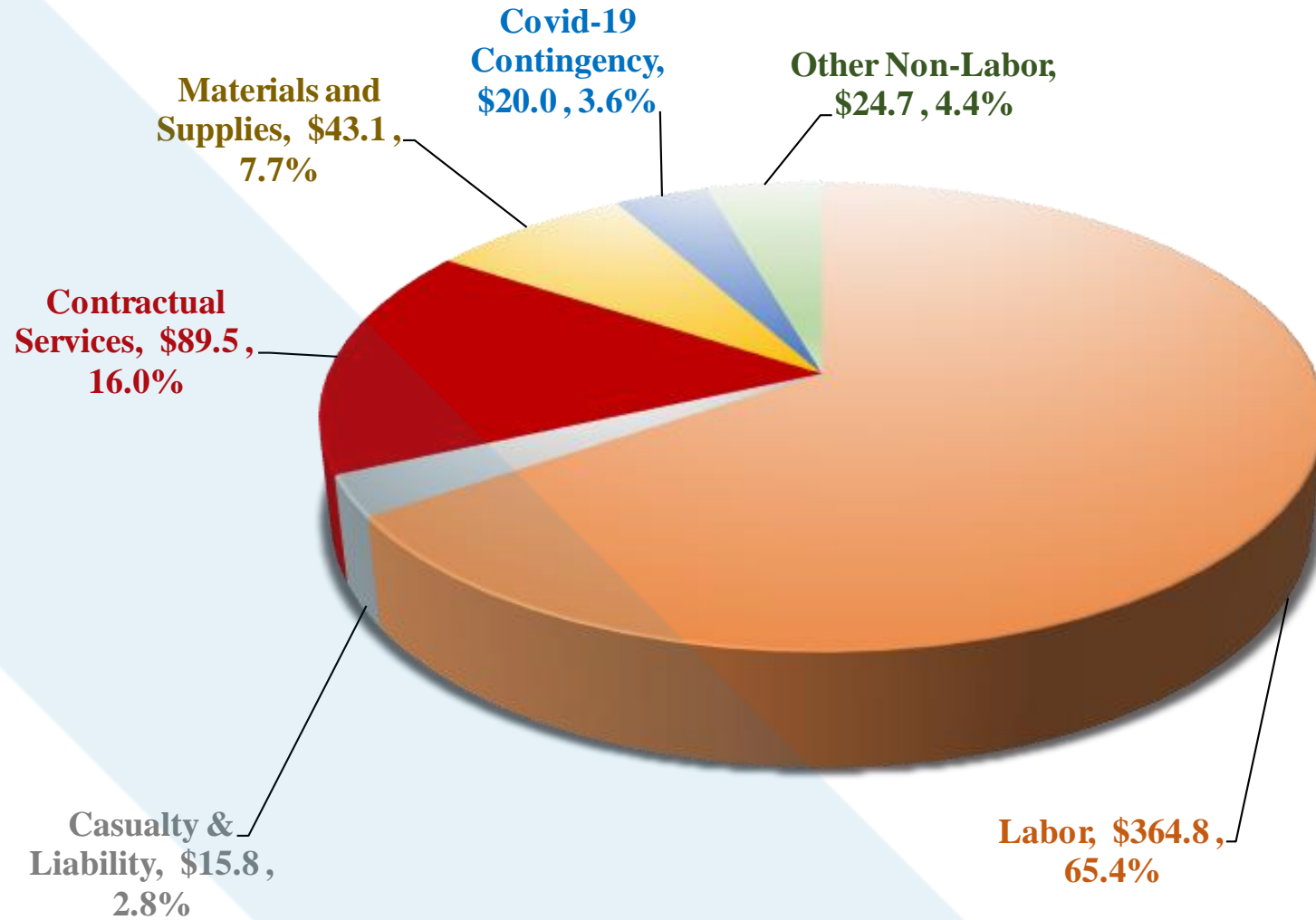


# FY21 Operating Revenue – \$624.5M



\* FY21 Operating Revenues of \$624.5M = Pre-Covid-19 Forecast of \$538.2M – Covid-19 Impact of \$63.8M + Cares Act Federal Funding of \$150.0M

# FY21 Operating Expenses - \$557.9M





# Operating Five Year Plan



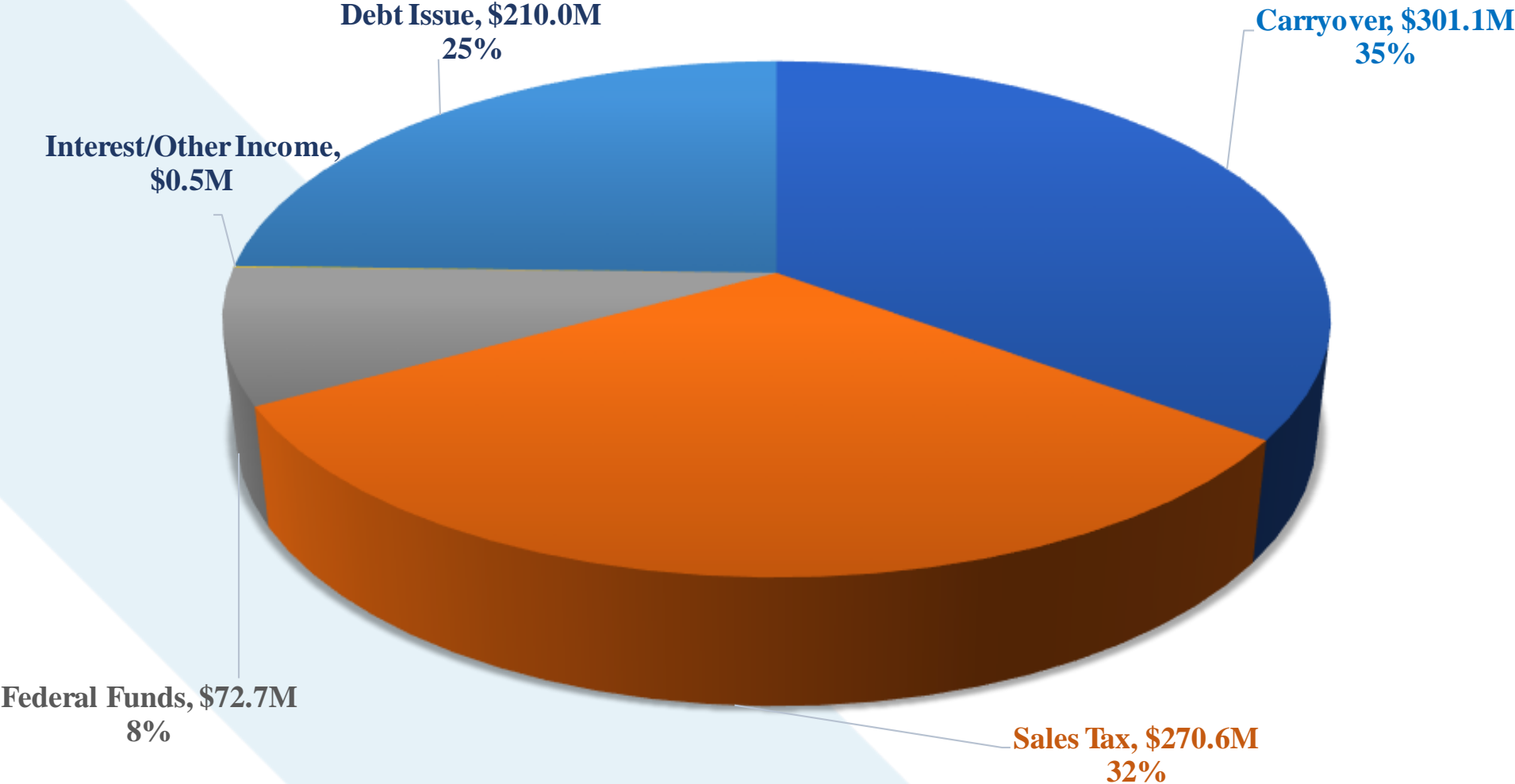
(\$ millions)

MARTA Financial Summary (\$M)	Actual FY2019	Forecast FY2020	Proposed FY2021	Projection FY2022	Projection FY2023	Projection FY2024	Projection FY2025
Operating Revenues (pre-Covid19)	525.9	534.6	538.2	543.8	552.6	561.5	571.1
COVID-19 Impact	0	(52.6)	(63.8)	(56.3)	(38.8)	(38.2)	(40.0)
Cares Act Federal Funding *	0.0	83.0	150.0	65.6	0.0	0.0	0.0
Adjusted Revenues	525.9 #	565.0 #	624.5 #	553.1 #	513.8 #	523.3 #	531.1
Net Operating Expense	519.1	508.1	537.9	554.5	569.5	585.0	600.9
Covid-19 Contingency			20.0				
Net Operating Expenses (incl. Covid-19)			557.9				
Surplus/(Deficit) * *	6.9	56.9	66.5	(1.3)	(55.7)	(61.7)	(69.7)

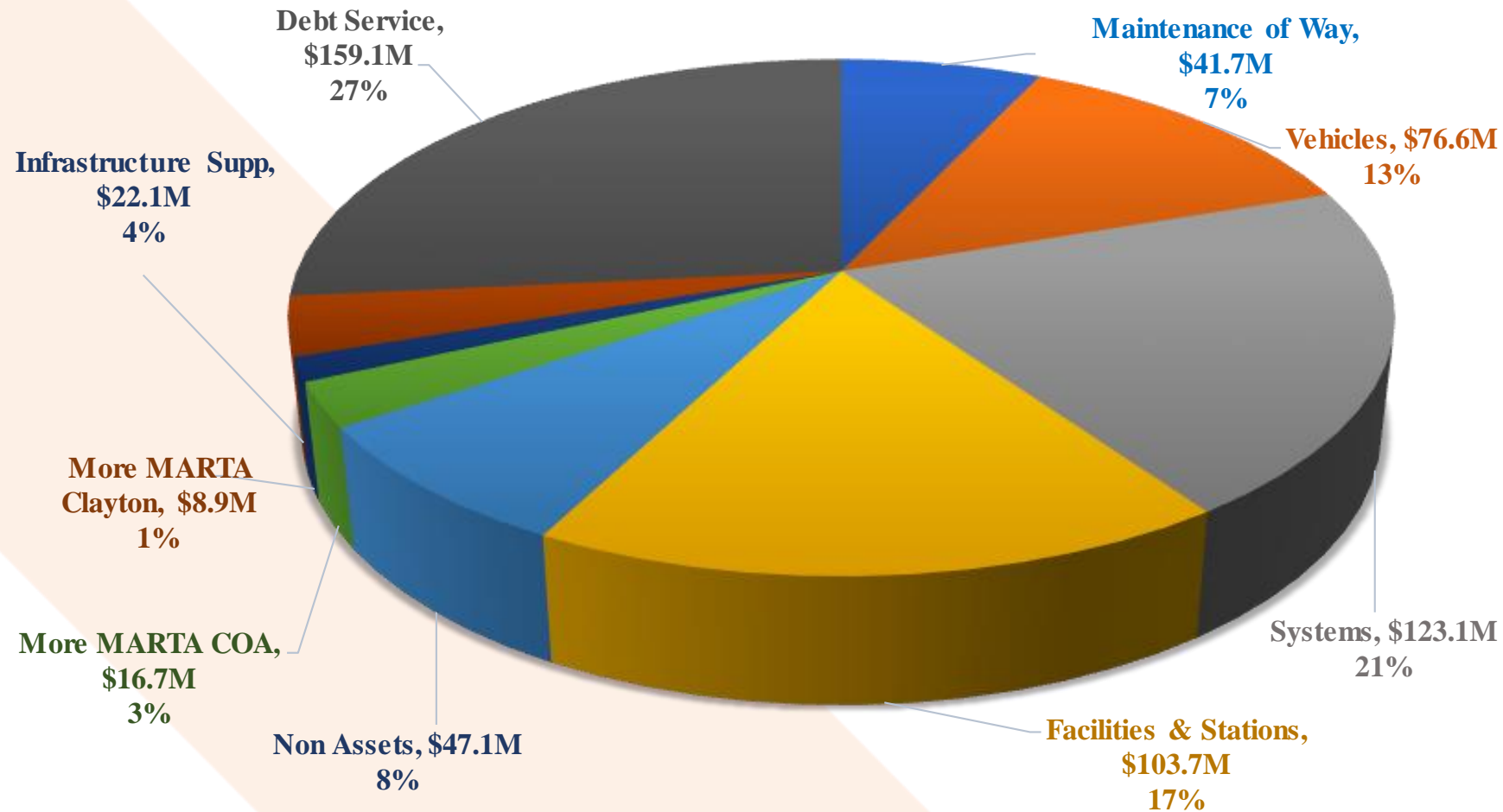
\* Cares Act Federal Funding drives surpluses in FY2020 and FY2021

\* \* Surpluses placed in Sales Tax Reserve will be applied to offset deficits in FY2022 through FY2025

# FY21 Capital Sources – \$854.9M



# FY21 Capital Uses - \$599.0M



# Capital Ten Year Plan



**Metropolitan Atlanta Rapid Transit Authority**  
**FY21 - FY30 Proposed Capital Program Sources and Uses of Funds**  
 [\$millions]

	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	Totals
<b>Beginning Balance</b>	90.0										
<b>Revenues</b>											
<b>Sales Tax</b>	217.3	220.6	229.3	239.2	247.1	256.4	265.8	274.9	285.6	296.7	2,532.9
<b>Federal &amp; State Funds</b>	72.0	53.5	48.2	54.2	44.4	44.4	44.4	44.4	44.4	44.4	494.0
<b>Other Revenue</b>	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	5.7
<b>Debt Issue (Bonds &amp; FRN)</b>	210.0	340.0	255.0	225.0	225.0	230.0	190.0	175.0	165.0	100.0	2,115.0
<b>Total Sources of Funds</b>	589.8	630.9	549.0	537.6	535.4	550.7	514.7	510.5	510.5	455.3	<b>5,147.6</b>
<b>Expenditures</b>											
<b>Capital Program Summary</b>	414.4	440.1	342.9	316.5	307.8	317.4	270.5	258.3	251.3	187.2	3,106.4
<b>Debt Service (Bonds &amp; FRN)</b>	159.1	174.8	187.4	202.8	208.2	219.4	228.5	237.3	245.6	250.5	2,113.6
<b>Total Uses of Funds</b>	573.5	614.9	530.3	519.3	516.0	536.8	499.0	495.6	496.9	437.7	<b>5,220.0</b>
<b>Clayton Reserve</b>	26.1	26.5	27.6	28.8	29.7	30.8	32.0	33.1	34.4	35.7	<b>304.7</b>
<b>More MARTA COA Reserve</b>	27.2	27.6	28.7	29.9	30.9	32.0	33.2	34.4	35.7	37.1	<b>316.6</b>

# FINANCIAL STEWARDSHIP

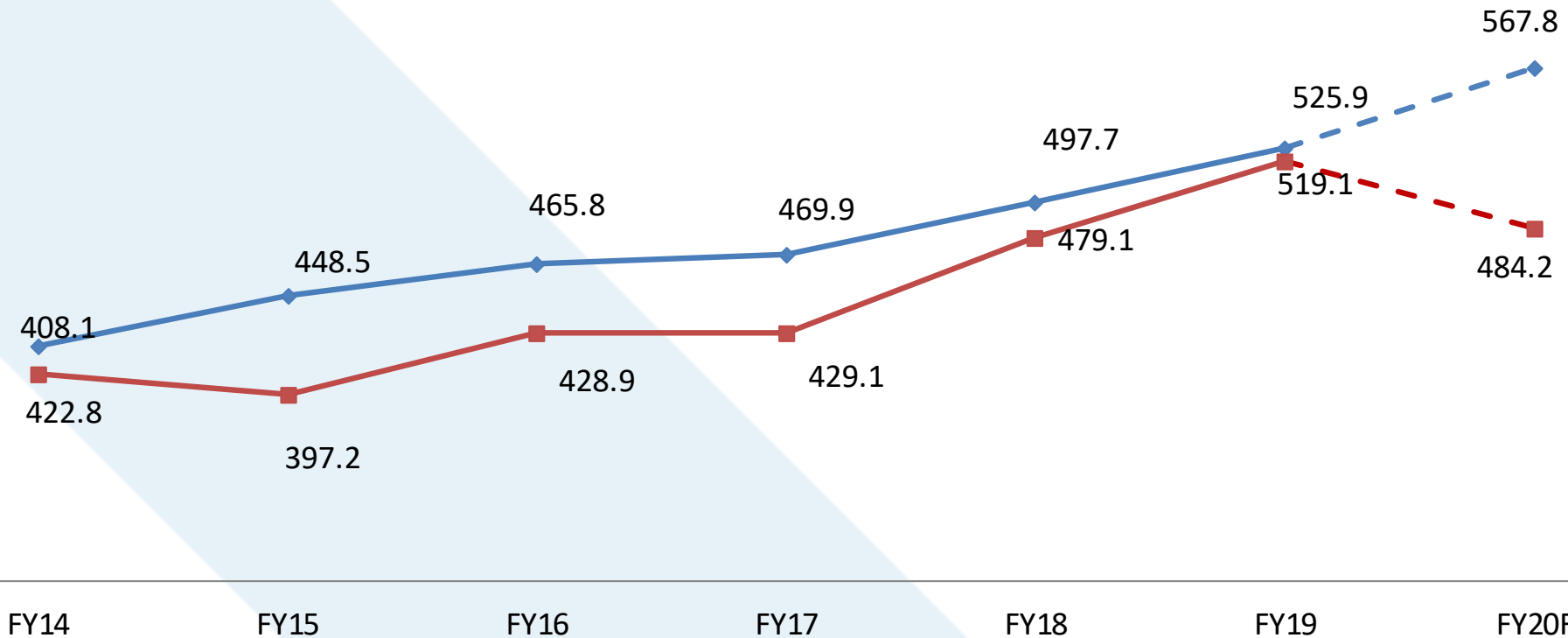


# Financial Stewardship



## Operating Performance (Millions)

◆ Revenue ■ Expenses



# Financial Stewardship



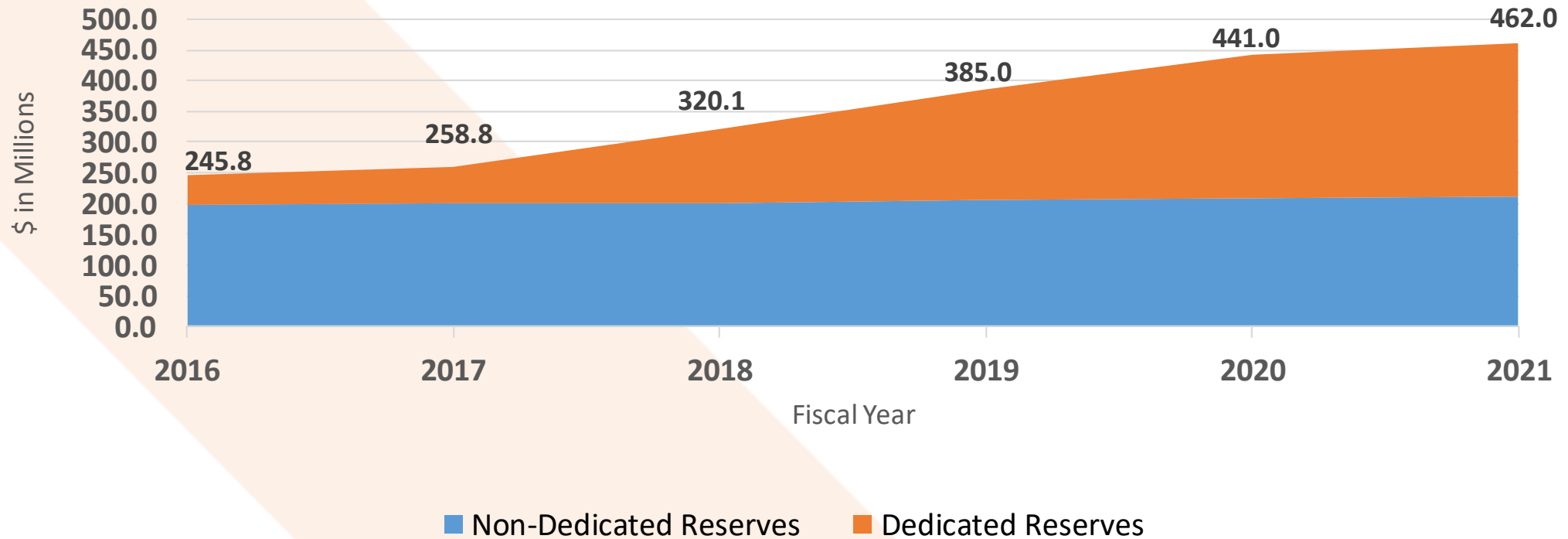
## MARTA Credit Highlights

- ✓ Bondholders have 1st Lien parity on pledged tax receipts
- ✓ Healthy reserves to address unanticipated needs
- ✓ Strong debt coverage ratios
- ✓ Strong Local Economy
- ✓ S&P - AA+ - Moody's Aa2 - Fitch to AA -

# Reserve Balance



## Reserve Balances

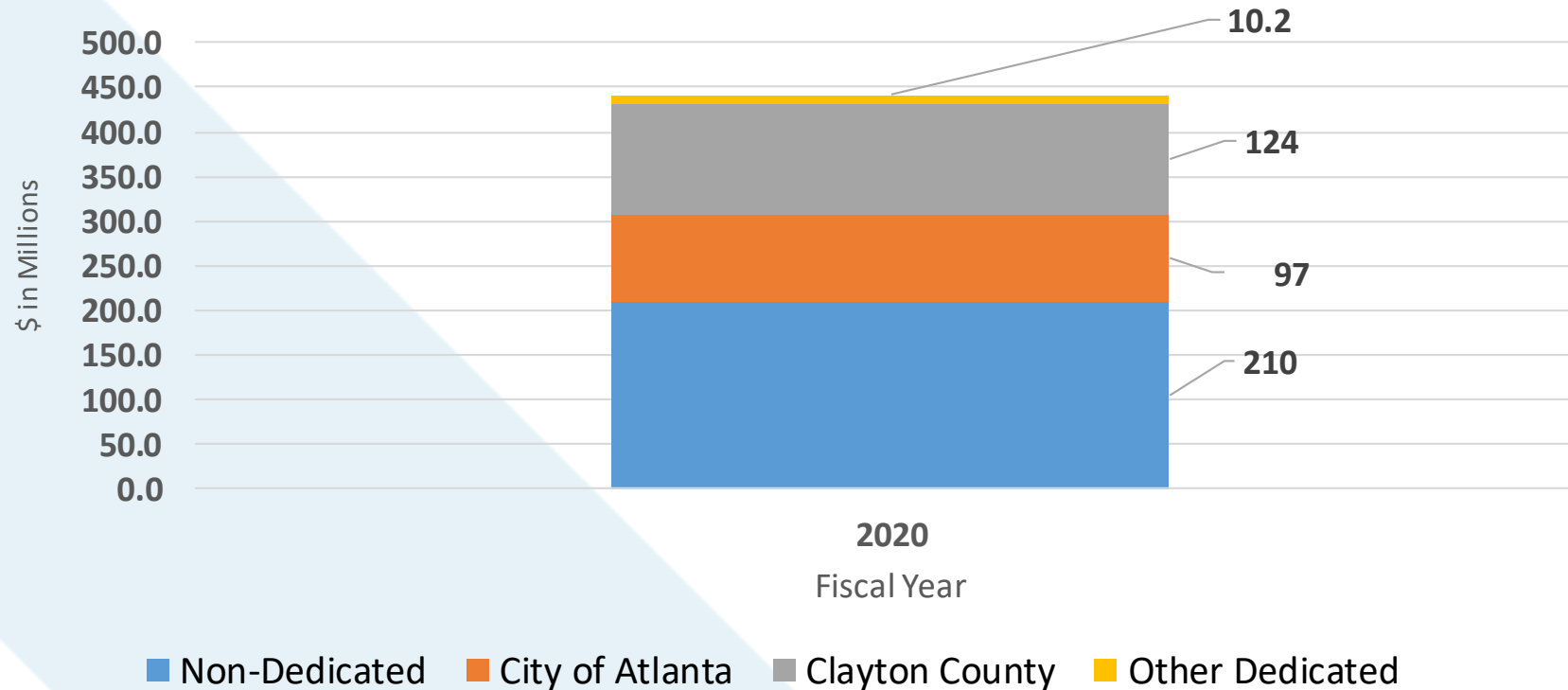




# Reserve Balance Detail



## Reserve Balances



### As of August 6, 2020

- General Fund Balance at \$223M
- Non-Dedicated Reserves Balance at \$210M
- Clayton and City of Atlanta project reserves at \$231M

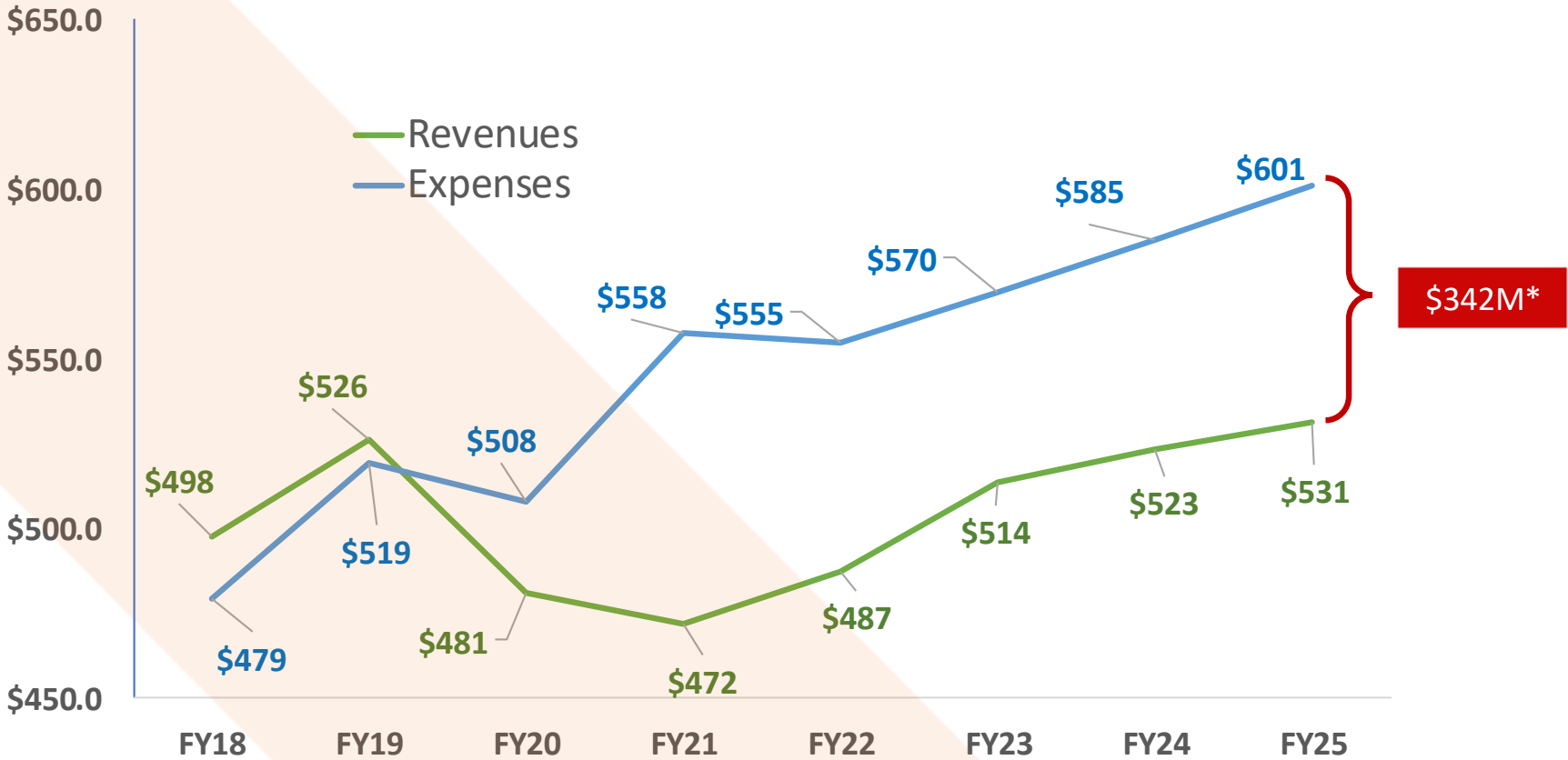
A person wearing a yellow safety vest, a white face mask, and orange gloves is using a white handheld sprayer to disinfect the interior of a bus. The bus has yellow handrails and blue seats. A large blue diagonal graphic is overlaid on the left side of the image.

# COVID – 19 IMPACT

# COVID Impact on Funding



Assumes No Fare Increase

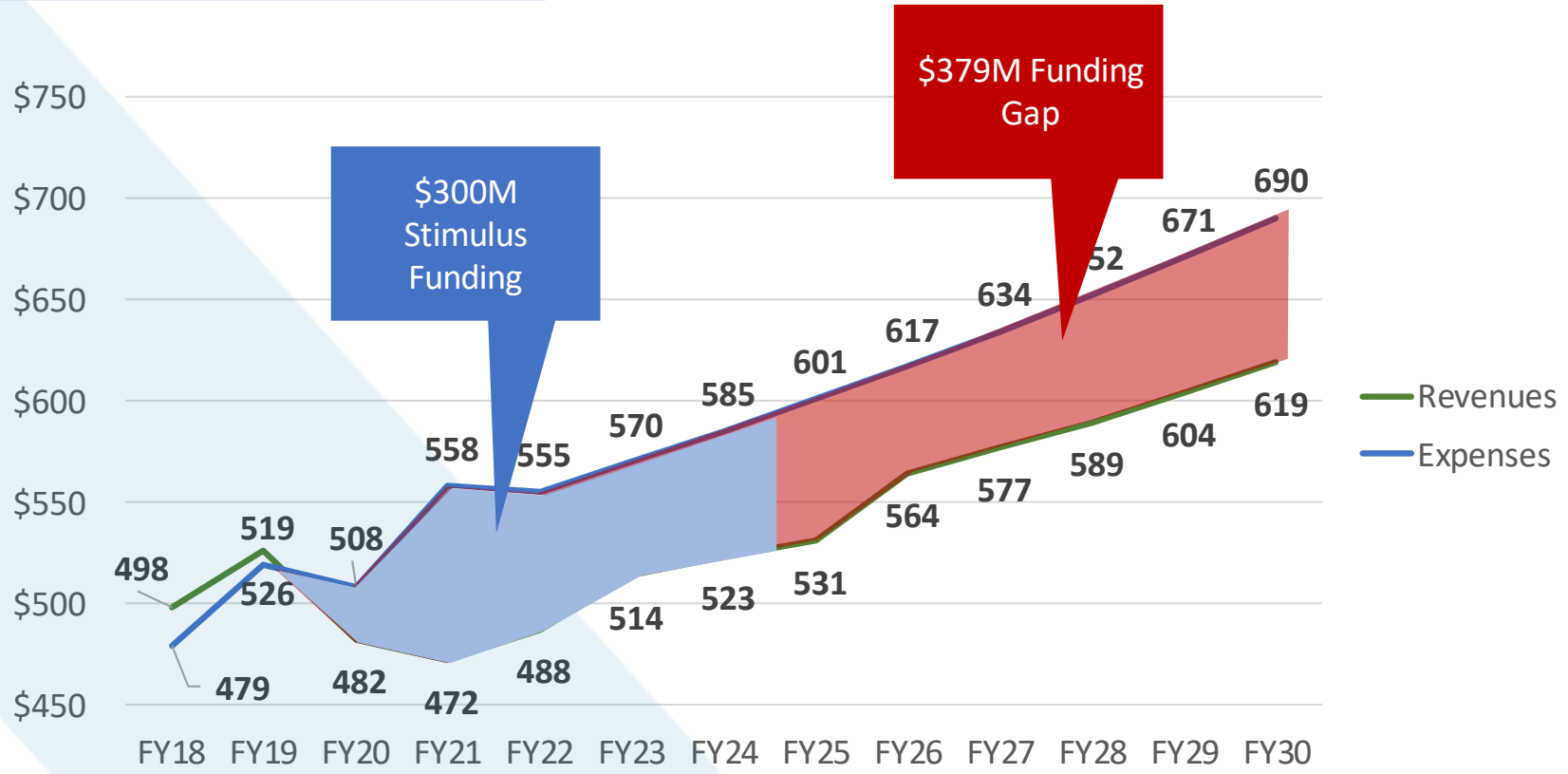


\* FY21 – FY25

# Cares Act Funding



Assumes No Fare Increase



A photograph of a MARTA station platform. The word "marta" is written in blue lowercase letters on the concrete structure above the platform. A train is blurred in motion on the tracks to the right. A tall light pole stands in the center of the platform. A blue diagonal graphic is overlaid on the left side of the image.

marta

# QUESTIONS