

MARTA

ANNUAL REPORT

July 1, 2013 – June 30, 2014



75th
Anniversary
COMBINED BUS AND RAIL SERVICE FOR THIRTY-FIVE YEARS
marta

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MARTA's Vision

MARTA is an integral part of the community, the economy, and the transportation system in the region, providing a meaningful mobility choice and an attractive alternative to the automobile for all residents and visitors to the area.

MARTA is a safe, secure, and reliable public transportation system, with emphasis upon customer service and cost effectiveness.

It is a system with a positive image that the community understands, respects, and supports.





marta
Decatur
Transit
Station
400

MARTA
POLICE



Board of Directors Board of Directors

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MARTA



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Message from the General Manager/CEO



On behalf of our Board of Directors, I'm pleased to introduce MARTA's Fiscal Year 2014 Annual Report. The pages that follow offer a timely snapshot illustrating the significant progress we've made to transform MARTA for the future. This year's report also marks the historic celebration of MARTA's 35th Anniversary as a combined bus-and-rail transit system.

From the very beginning, MARTA and its employees have played an invaluable role in helping to shape the metro Atlanta region as a center of commerce, as a cultural capital of the Southeast and as a dynamic place to live, work and play. Our commitment is to take the

actions that we know are necessary for MARTA's continued growth and success as the region's top transit provider in the coming decades.

Although we have much work ahead of us, the long-term plan to change the way MARTA conducts business gained momentum during the 2014 fiscal year. Our financial outlook improved. We launched a complement of comfortable new buses. We ramped up rail service frequencies to reduce customer wait times. We attracted investment from public and private sector partners that is already paying dividends for customers and the communities we serve.

This year, MARTA was also sharpened its focused on creating a culture of "routine excellence" that will raise the standard of performance for employees in every aspect of our business. Our mission is simple: To make a

good transit system one of the very best in the nation.

For us to reach that goal, we will need the ongoing support, guidance and input from our customers, employees, partners and others stakeholders whose profound contributions have brought us this far. Now, as always, I want to thank you for taking this journey with us.

Sincerely,

Keith T. Parker, AICP
GM/CEO
MARTA

MARTA at 35

When the very first MARTA train rolled into Avondale Station on July 30, 1979, few could have predicted what the future would hold for metro Atlanta's hometown transit system or where, exactly, it was headed.

Since then, the agency has had its share of major achievements and faced daunting challenges. Thanks to the guidance of its Board of Directors, the support of its customers and the hard work of its many faithful employees, MARTA has persevered and 35 years later, we are the largest bus-and-rail transit system in the Southeast.

Mindful of the past while keenly focused on the future, MARTA is undergoing a top-to-bottom transformation, as the region is poised for the next era of growth, prosperity and exciting change.

Here are some milestones that MARTA, its customers and its employees reached during fiscal year 2014:

Fiscal Stewardship:

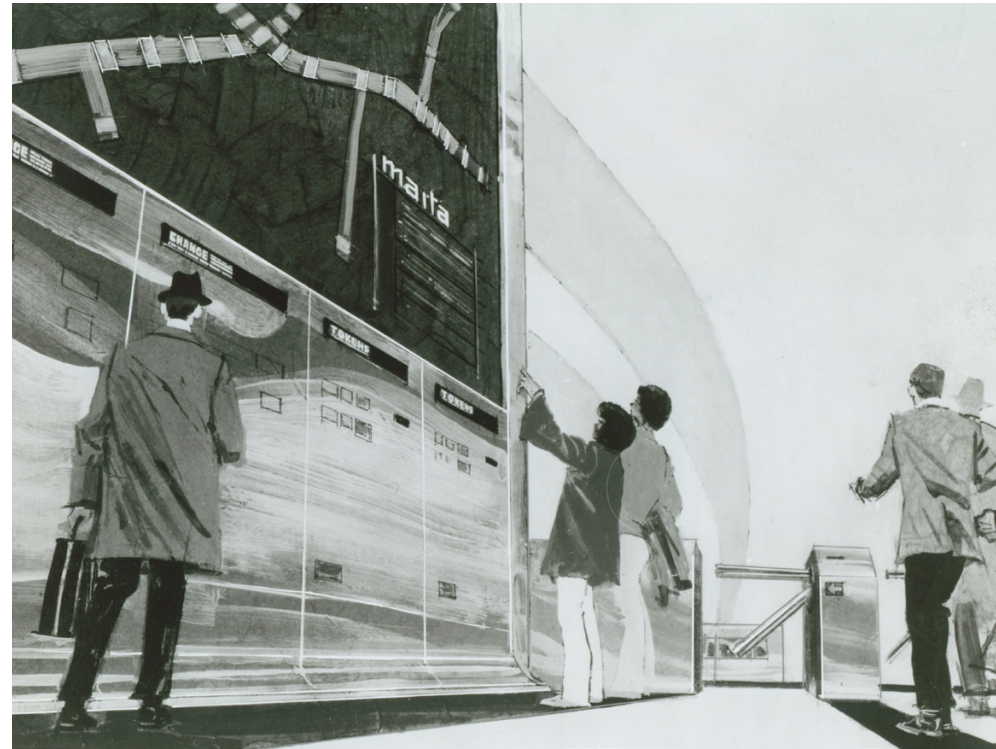
- Ended the fiscal year “in the black” for the second year in a row without relying on its reserves
- Advanced Transit-Oriented Development plans for the Avondale, Brookhaven and Chamblee rail stations that will generate more revenue and create vibrant communities
- Launched Small Business Program and co-hosted Regional Small and Minority Business

Summit with Atlanta Tribune magazine

- Earned a bond rating upgrade from Moody's Investors Service, enabling MARTA to borrow at more favorable interest rates
- Implemented new fare evasion policy to capture more customer revenue

Service Improvements:

- Decreased wait times for train customers to five minutes on the trunk lines during rush hour
- Opened the Buckhead Bridge that spans GA 400 creating an easy pedestrian connection to shops and business near the Buckhead station
- Maintained rail service for customers during major winter ice storms
- Rolled out first of 88, state-of-the-art buses from New Flyer as part of ongoing fleet replacement plan



Investing in Customers and Employees:

- Launched the “Ride with Respect” Code of Conduct policy to address nuisance behavior and to ensure customers a pleasant experience
- Partnered with non-partisan groups in observance of National Voter Registration Day
- Opened new Travel Training Facility for customers with disabilities who choose to ride the train and fixed-route bus service instead of Mobility (paratransit)
- Hosted Meet MARTA Day at Five Points Station and “Jazz Mondays” with live performances at select stations
- Provided one-time, incentive payment for non-represented employees who had not gotten raises ■

marta®

by
the

NUMBERS

MARTA prides itself on moving people safely, efficiently, and dependably. Here are some of the numbers behind MARTA's success.



REGIONAL DEMOGRAPHICS

1,612,500 Population served
4.2 Million Atlanta's regional population
8,376 Square miles Atlanta metro size
498 Square miles MARTA service area

BUSES

6.5 Years Average bus age
232.8 Million annual bus passenger miles (excludes para-transit/demand response)
6 Bus park-and-ride facilities
2,691 Bus passenger parking capacity
77.6% Average on-time bus performance

MOBILITY VEHICLES

3.6 Years Average age

TRAINS

25.6 Years Average rapid rail vehicle age
21,420 Rail passenger parking capacity
96.4% (Average) On-time rail performance

RIDERSHIP

75,500 (Avg) people commute to work per weekday on MARTA

41,500 (Approx.) workers use MARTA because they have no alternative means of transportation

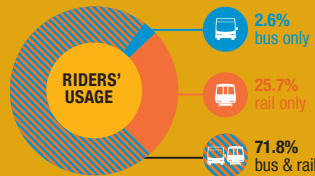


60% of riders use MARTA to commute to work



34% of riders use MARTA for convenience

14 of 18 of Atlanta's fastest growing industry sectors have employees who commute to work on MARTA.

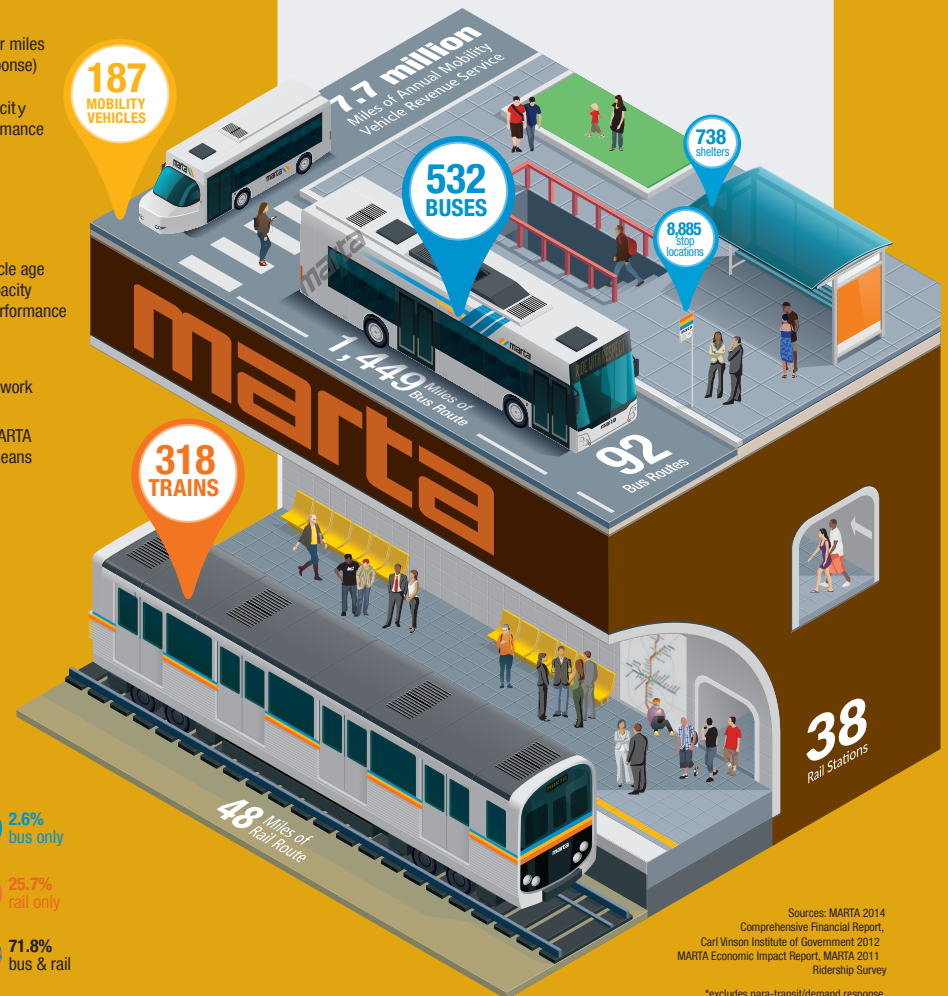


STAFF 4,547 Full-time employees

MARTA'S ECONOMIC IMPACT IN GEORGIA

24,864 Direct/indirect jobs = \$1,273,690

\$2,625,073 = Total output capital /operating budgets



Sources: MARTA 2014 Comprehensive Financial Report, Carl Vinson Institute of Government 2012 MARTA Economic Impact Report, MARTA 2011 Ridership Survey

*excludes para-transit/demand response

Salute to Employees... It seemed like only yesterday... The men and women who have worked tirelessly at MARTA over the years have always been the heart and soul of our



transit system. As MARTA grew, these employees weren't just making a living; they were making a difference in their community.

Longstanding members of the MARTA Family have seen it all. More than merely co-workers, they share a mutual passion and devotion for MARTA's mission. Some witnessed the birth of the combined bus-rail transit system firsthand when the inaugural train rolled out on the East Line. Billions of trips later, whether our customers were going to the supermarket or were bound

for the Super Bowl, MARTA employees have made us proud.

Through it all, these often unsung heroes and heroines have overcome great challenges, weathered formidable difficulties and celebrated some unforgettable achievements. Here are their stories, in their own words:

Gregory Anderson

Occupation: Rail Car Maintenance Supervisor/Armour Truck and Motor Shops (35 years)

Any special MARTA moments/memories? I have many special moments

and memories. Several of them stand out. One is that I developed an acid wash system while working as a Journeyman Mechanic with the Shop Equipment team that cleaned the original



Franco Belge trains to look like new. I can still hear my father, who is deceased, proudly boast "that's what my son does" to his friends as the trains passed by. Another fond memory is that I was one of the first people to ride the trains while they were being tested from Avon-

dale to Georgia State Station before service started in June 1979.

Verna Stone

Occupation:

Claims Adjuster III at MARTA. I have been employed by MARTA for 35 years.

Any special MARTA moments/memories? MARTA



is special to me because I met my husband at MARTA. He was a bus operator. A special MARTA memory was being a hostess for the opening of the rail line in June 1979. Other special memories were walking through the Peachtree Center tunnel while it was still in the construction stages and relocating to the Headquarters Building while it was still under construction.

William W. Lee

Occupation:

Supervisor in Rail Car Maintenance. I have been employed by MARTA for 35 years.



Any special MARTA moments/memories?

MARTA is special to me not only because it has supported my family and myself for so many years but because it provides a service that is invaluable to the

community. The people I've worked with at MARTA have all been special to me. The technical changes that evolved over the years, i.e. air conditioning, more comfortable rides, sleeker and longer buses, fare changes from money and tokens to Breeze Cards all have contributed to MARTA's image as a great transit system.

Garry Free

Occupation:

Director of Maintenance of Way

Any special MARTA moments/memories? Working during the '96 Olympics



was definitely a once in a lifetime opportunity! I will always remember being a part of an event that touched so

many lives...and knowing that I was part of a team who helped get people to their destinations.

Lekha Mukherjee

Occupation: Manager of Service Monitoring, Research & Analysis, Planning

Any special MARTA moments/memories? With my 35+ years of work experience, I



have an attitude of gratefulness and respect towards MARTA for everything given to me. I have beautiful

memories and a strong working relationship with my co-workers and resources to raise and educate my children. I grew, matured and became a transit person because of MARTA and when I see a bus or train on the street, my heart fills with pride and a smile! My hope for MARTA's future is that I will leave MARTA a regional leader, robust and enduring!

Jean Starling

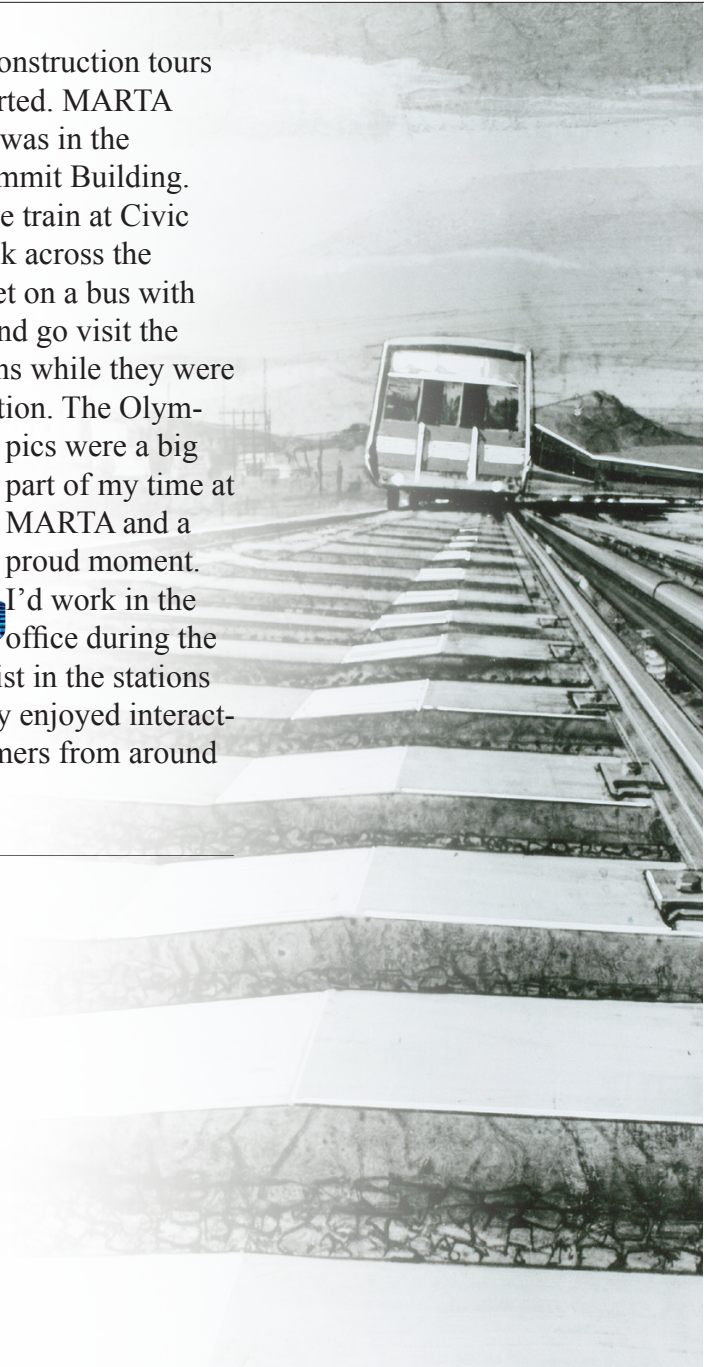
Occupation: Accounting Specialist III

Any special MARTA moments/memories?

I enjoyed the construction tours when I first started. MARTA [headquarters] was in the [Peachtree] Summit Building. We'd get off the train at Civic Center and walk across the street... We'd get on a bus with our hard hats and go visit the different stations while they were under construction. The Olym-



pics were a big part of my time at MARTA and a proud moment. I'd work in the office during the day and go assist in the stations at night. I really enjoyed interacting with customers from around the globe. ■





Celebrating our Past: From Day One, MARTA and its employees have built an enduring legacy of public service that has stood the test of time. During MARTA's 35th Anniversary as a bus-and-rail system, we pause to remember our history and honor those whose inspiring commitment to MARTA will never be forgotten.

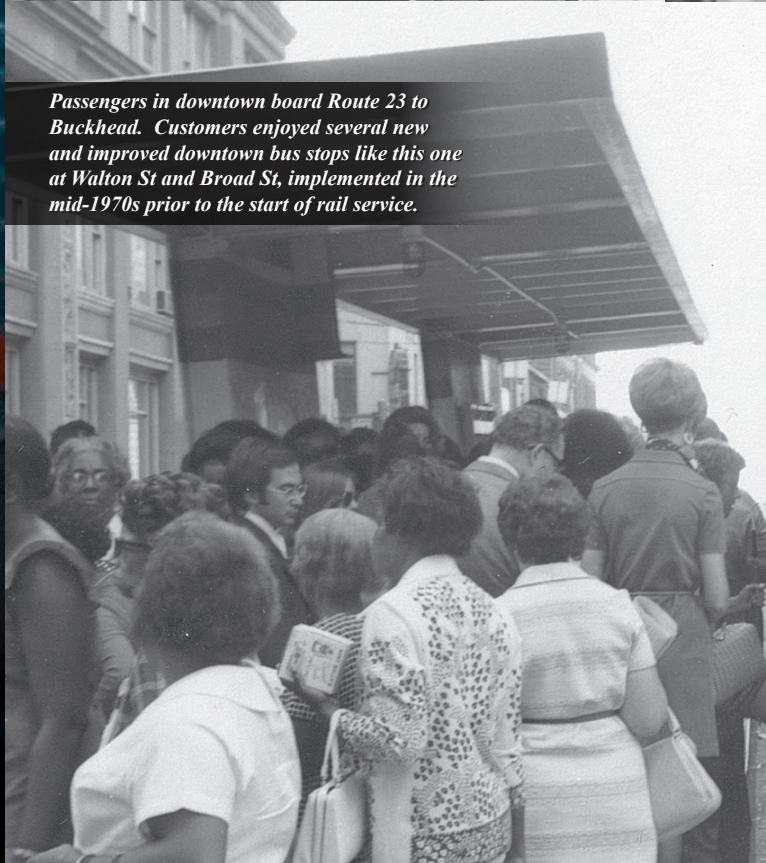


Passengers board a bus in Downtown Atlanta.



Passengers board a bus in Downtown Atlanta.

Passengers in downtown board Route 23 to Buckhead. Customers enjoyed several new and improved downtown bus stops like this one at Walton St and Broad St, implemented in the mid-1970s prior to the start of rail service.



Focusing on the Present: Every day, MARTA is committed to getting better. From top-to-bottom and in every department, we are seeking ways to continuously improve the overall transit experience for our customers while enhancing every aspect of our operations.





Buckhead's Pedestrian Bridge. The new station entrance to the north end of Buckhead Station makes it easier to reach shopping and dining, as well as high-rise condos. The pedestrian bridge spanning GA400 connects Tower Place on the west side to Stratford Road on the east side.

CNG Buses & Clean Diesel Vans. MARTA's Compressed Natural Gas (CNG) and Clean Diesel fleet helps clear the Atlanta air by reducing gasoline pollutants by more than 7 million gallons each year.



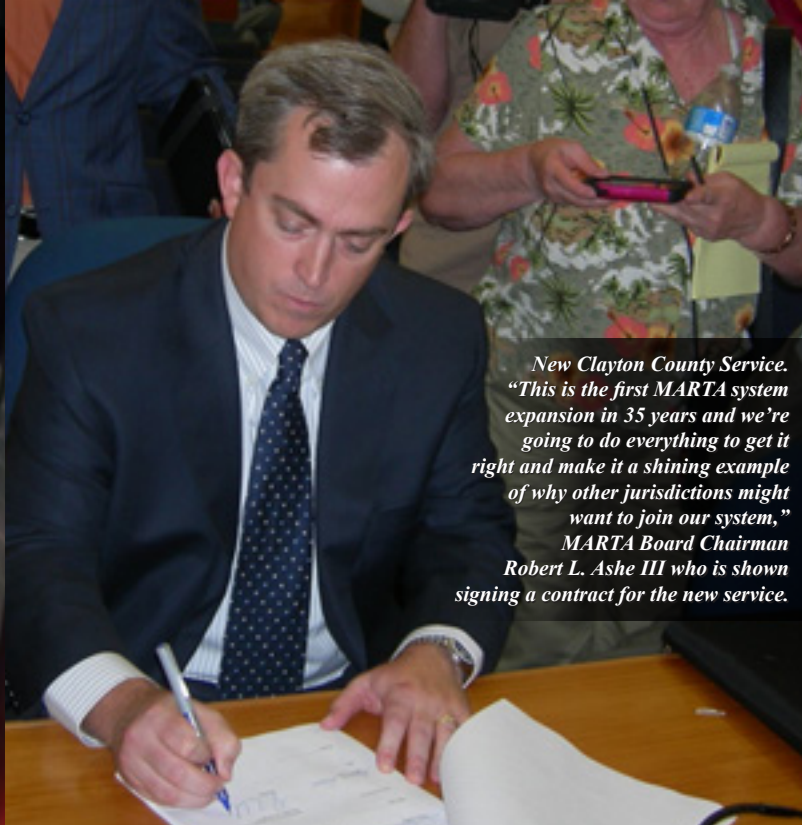
Transit Oriented Development Lindbergh Center Station is an example of developing a vibrant live, shop, dine community that is fully integrated with transit.

Transformation for the Future: MARTA is poised to be on the cutting edge of the latest transit industry innovations. We are embracing new ideas, partnerships and technology that will prepare MARTA for the next 35 years of transit service – and beyond

Southbound Northbound
To Five Points ... Airport To Civic Center ... Doraville or ... N. Springs

Directory

LONG TO
SPRINGS
P.M. 7



New Clayton County Service. "This is the first MARTA system expansion in 35 years and we're going to do everything to get it right and make it a shining example of why other jurisdictions might want to join our system," MARTA Board Chairman Robert L. Ashe III who is shown signing a contract for the new service.



Atlanta Streetcar. "Atlanta, like other world-class cities, recognizes the importance of investing in a robust public transit network. Situated near four MARTA rail stations and numerous bus stops, the modern Atlanta Streetcar provides another much needed alternative transportation mode..." MARTA GM/CEO Keith T. Parker, AICP



"Smarta" Restrooms! High-tech restrooms are coming to MARTA stations, beginning with this pilot installation at the Lindbergh Center station. The restrooms will feature vandal-resistant and break-resistant fixtures. Other benefits include the ability to control loitering with control-time usage motion sensors and two-way external communication and video monitoring.

Financial Highlights.

This Annual Report contains summarized financial information taken from MARTA's Comprehensive Annual Financial Report (CAFR), which is published separately. The CAFR includes detailed financial information including MARTA's audited financial statements. Copies of the CAFR and Popular Annual Report are available at MARTA's headquarters building, the public libraries of DeKalb County, Fulton County, and the City of Atlanta, and on the internet at www.itsmarta.com.

In order to measure the costs of providing mass transportation services, the revenues from those services and required subsidies, MARTA has adopted accounting principles and methods appropriate for a governmental enterprise fund. Enterprise funds are used to account for specific operating activities. Enterprise funds are financed and operated similar to a private business

entity where a fee is levied for the use of the product or service.

MARTA's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting under which revenues are recognized when earned and measurable and expenses are recognized when incurred. The statements are presented in conformity with accounting principles generally accepted in the United States of America.

The Government Finance Officers Association of the United States and Canada (GFOA) has given MARTA the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2013. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards

for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. MARTA has received a Popular Award for the last sixteen consecutive years (fiscal years ended June 30, 1998 through 2013). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA.





Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**Metropolitan Atlanta
Rapid Transit Authority
Georgia**

For its Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Fare Structure

For the Fiscal Year Ended June 30, 2014

Regular Fare

Single Trip (stored on Breeze Card)	\$2.50
Round Trip (stored on Breeze Card or Breeze Ticket)	\$5.00
Ten(10) Trips (10 trips on Breeze Card or Breeze Ticket)	\$25.00

Discounted Fare

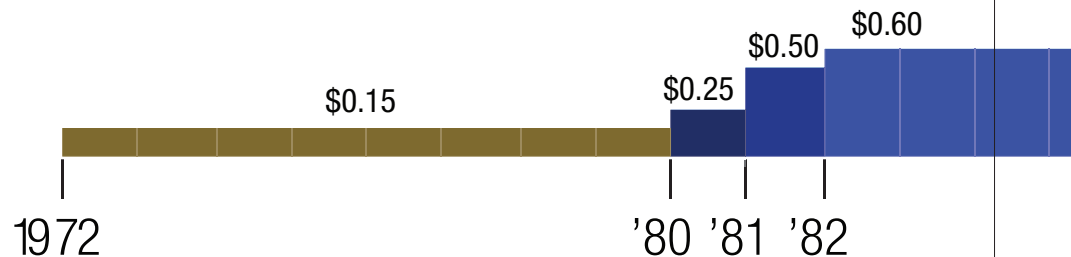
Twenty (20) single trips (20 trips stored on Breeze Card)	\$42.50
30 day pass (unlimited travel for 30 consecutive days, all regular service)	\$95.00
7 day pass (unlimited travel for 7 consecutive days, all regular service)	\$23.75
Day passes (unlimited travel for consecutive days, all regular service). Price per day:	
1 day:	\$9.00
2 day:	\$14.00
3 day:	\$16.00
4 day:	\$19.00

Mobility and Reduced Fare Programs

Reduced Fare (for pre-qualified customers 65 and older and disabled customers using regular service)	\$1.00
Mobility Service (Demand response for certified customers. Personal care attendant may ride free, if required)	\$4.00
Discounted Mobility Service (20 single trips)	\$68.00
Discounted Mobility Service (unlimited travel for 30 days on Breeze Card)	\$128.00
Mobility on Fixed Route (For Mobility certified customers riding fixed route with Mobility Breeze Card)	No charge

Student Programs

K-12 Program (Grade School and High School students K-12, Monday through Friday)	\$14.40
Ten(10) trip pass (to/from school), all regular school	



University Pass (U-Pass) Program

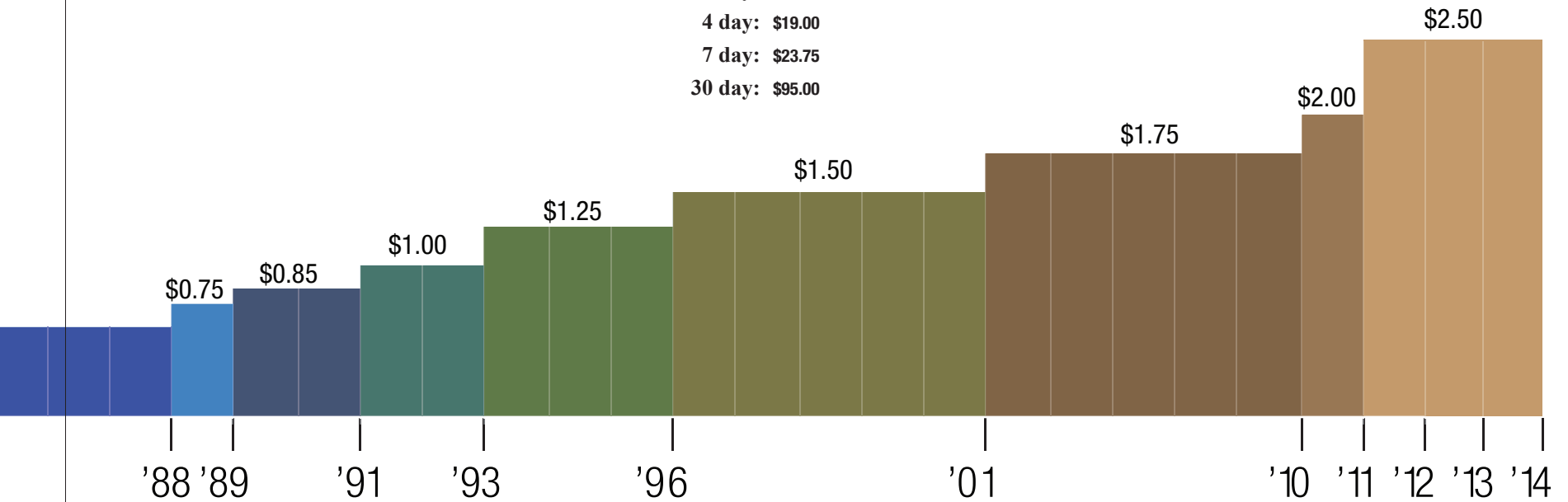
Monthly discount program for college or university students and staff

Students: \$68.50
Faculty/Staff: \$83.80

Convention and Visitors Pass

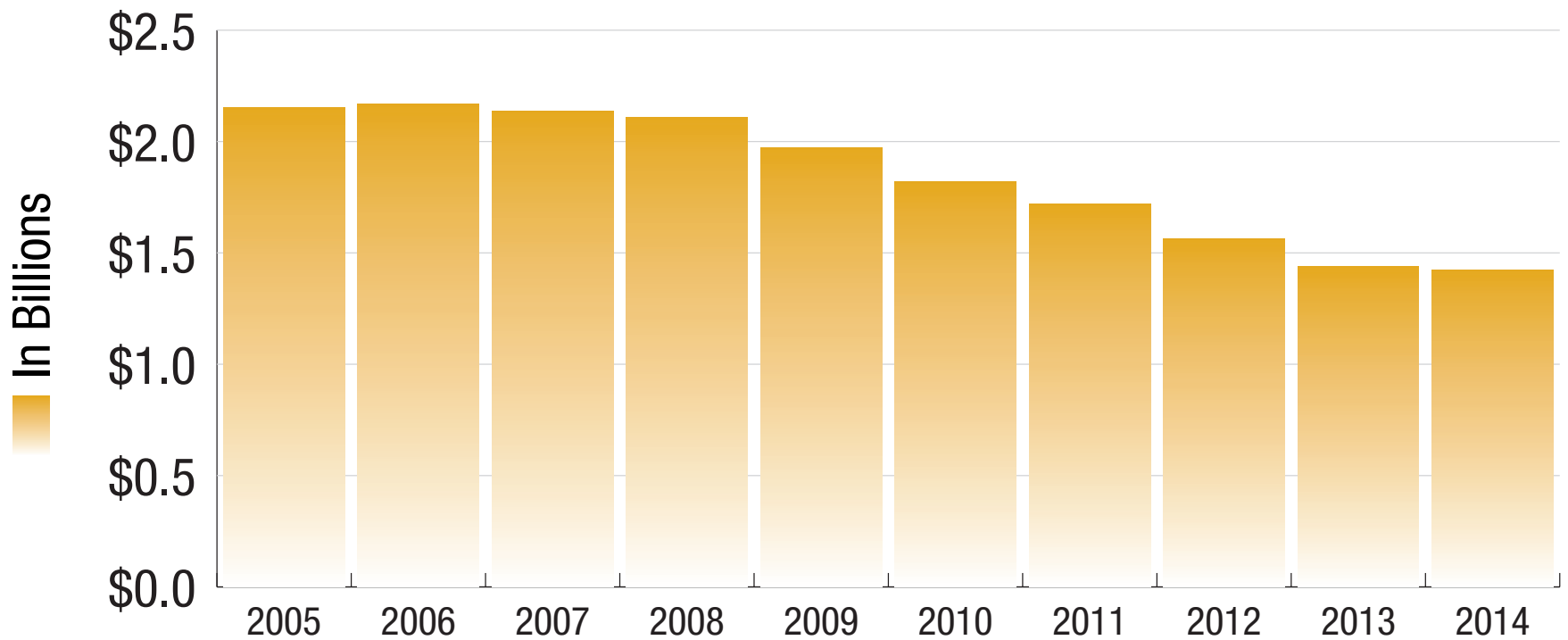
For groups of 15 or more, ordered a minimum of 20 days in advance. Price per day:

1 day: \$9.00
2 day: \$14.00
3 day: \$16.00
4 day: \$19.00
7 day: \$23.75
30 day: \$95.00



Net Position

MARTA's net position was \$1.4 billion at June 30, 2014, a \$34 million decrease from June 30, 2013, when net position was \$1.4 billion and a \$128 million decrease from June 30, 2012. MARTA reported positive balances in two categories of net position and one negative balance for unrestricted net position. MARTA reported positive situation on all categories of net position for prior years. More detailed information on the statement of net position is contained in the Comprehensive Annual Financial report.

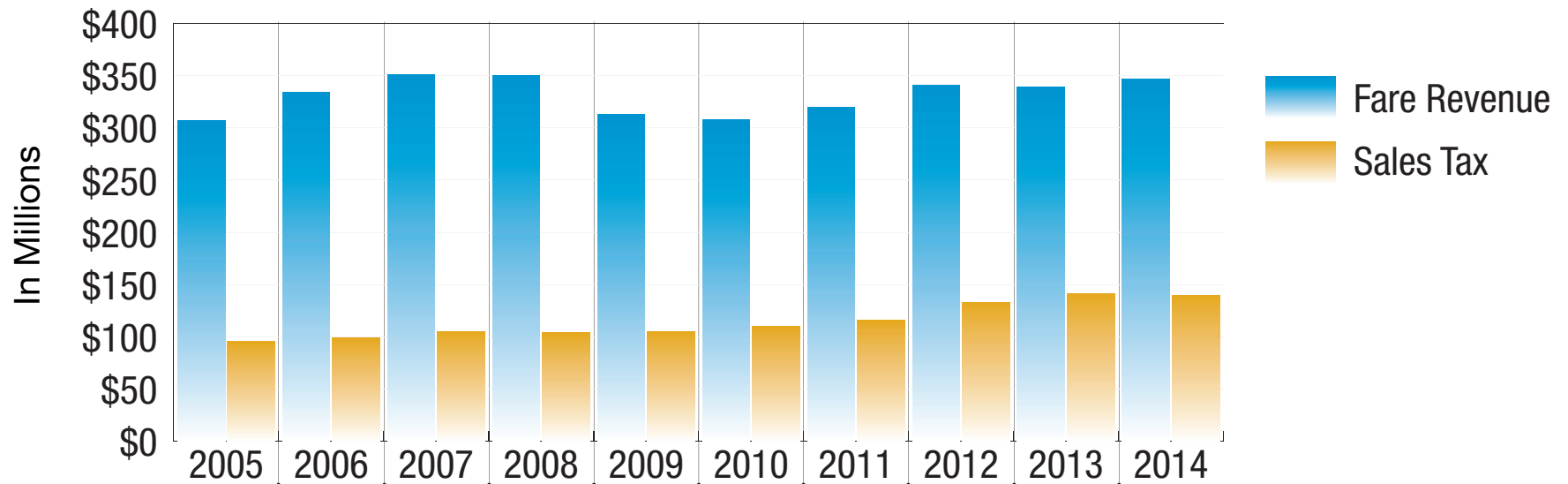


Primary Revenue Source Trend

This chart shows MARTA's two primary revenues trended over the past ten fiscal years. MARTA's two largest revenue sources are Sales Tax and Fare Revenue. The two combined make up 76% or \$488 million of total revenue. Sales Tax provides 54% of MARTA's total revenue and Fare Revenue provides 22% of the total.

MARTA's Sales Tax Revenue comes from a 1% sales tax levied in the City of Atlanta and the Counties of Fulton and DeKalb. Under the law authorizing the levy of the sales and use tax, MARTA is restricted as to its use of the tax proceeds. Fare Revenue is earned through user fees; as of June 30, 2013, the full fare fee is \$2.50, which was increased from \$2.00 in October 2011.

As indicated on the chart, Sales Tax Revenue has trended upward for most of the past decade. In 2007, Georgia and most of the country entered into a major economic recession. The impact of this recession can easily be seen in the sales tax revenue numbers. However, Fare Revenue has remained relatively constant over the past decade.



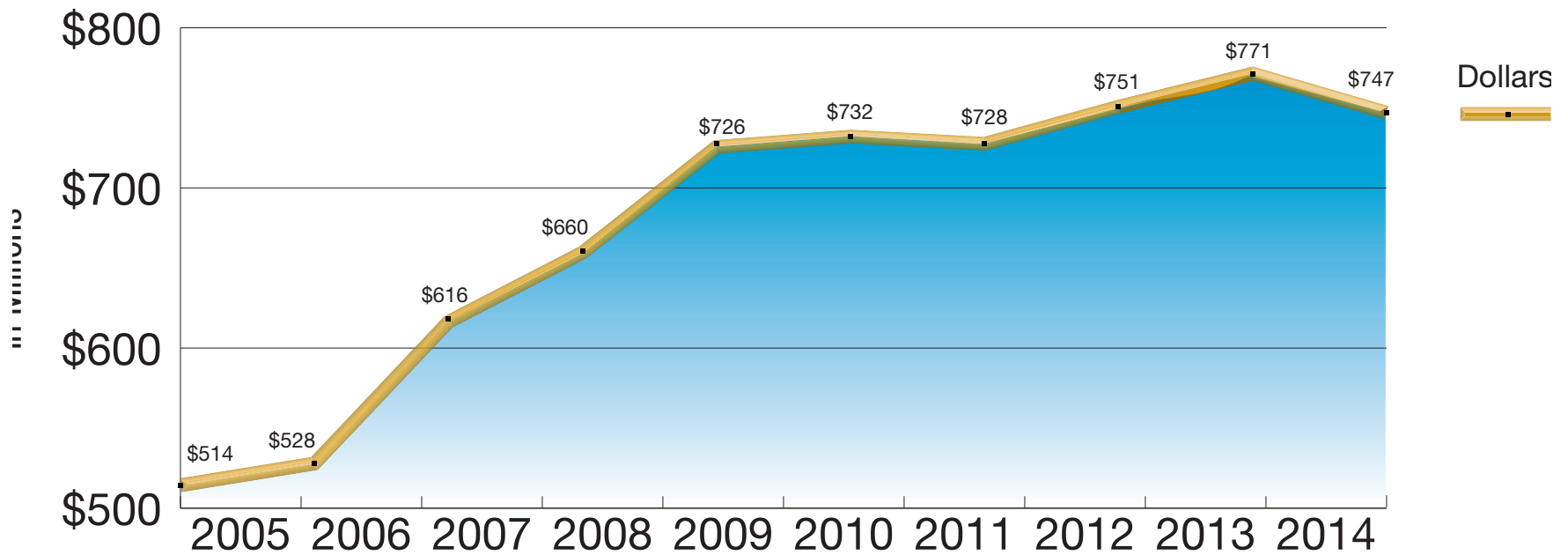
Change in Ridership & Fare Revenue

This chart gives a simple comparison of MARTA's revenue in dollars and Passenger Count trended over the past 10 years. Both Passenger Count and Fare Revenue had a slight up and down movement from 2005 through 2009. However, Fare Revenue, started to have a steady rise from 2010 to 2014 while Passenger Count continued to have a see-saw movement.



Trend of Total Expenses

This chart shows total expenses trended over the past ten years. Total expenses include both operating and non-operating expenses. In 2007, total expenses started to increase gradually due to depreciation on a number of major capital programs that were placed in service. Cost containment measures effectively flat-lined the growth in expenses from 2009-2011, and gradually increased in 2012 and 2013. Even with the aggressive cost containment measures, the cost of fuel and health care continue to outpace the related cost savings and revenue growth.

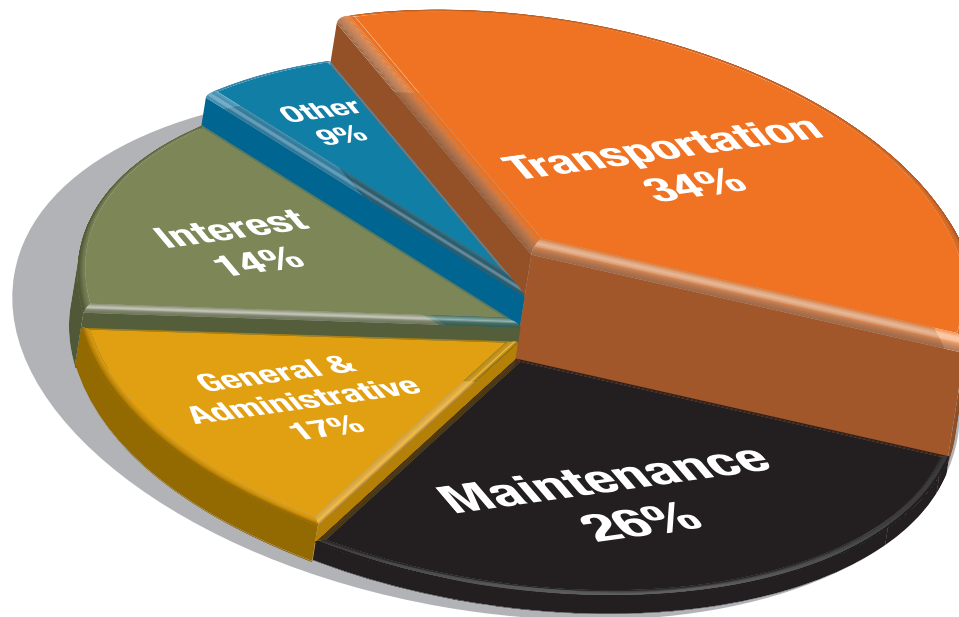


Total Expenses By Function

This chart shows total expenses by function. A function is a type of activity that MARTA engages in, which subsequently results in an expense. This chart shows that providing transportation and the associated maintenance represent 60% or \$323 million of MARTA's total expenses by function. Transportation and related maintenance include such expenses as salaries and benefits of bus and train drivers,

electricity and fuel. Paying out interest, primarily on bonds, is 14% or \$75 million of the total expenses by function. MARTA finances most of its capital equipment and rail construction with bond funds; thus, interest expense is expected to represent a significant portion of total expenses. General and administrative expenses include, but are not limited to, salaries and benefits for administrative personnel, office materials and

supplies and casualty reserves. These expenses account for 17% or \$89 million of total expenses by function, an increase of \$10.5 million over FY13; this is primarily due to growth in general and administrative expenses related to capital projects. Other expenses comprised 9% of total expenses which is 5% more than last fiscal year.



Farebox Recovery Percentage

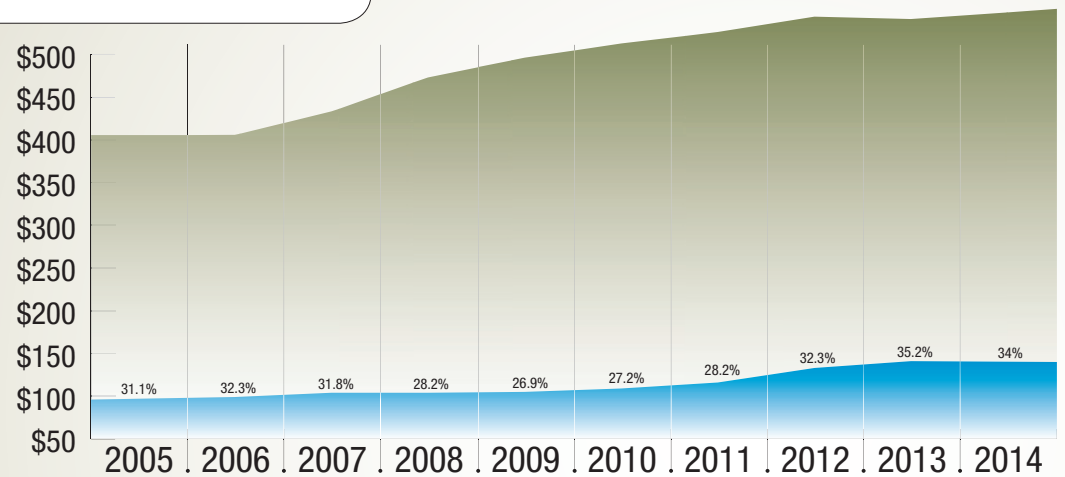
Last Ten Fiscal Years (Dollars in Thousands)

Fiscal Year	Farebox Revenue	Percent Change	Operating Expenses	Percent Change	Farebox Recovery
2005	\$96,244	1.2%	\$309,382	2.1%	31.1%
2006	99,148	3.0	306,505	(0.9)	32.3
2007	104,678	5.6	328,958	7.3	31.8
2008	103,963	(0.7)	368,767	12.1	28.2
2009	105,235	1.2	390,923	6.0	26.9
2010	109,546	4.1	403,360	3.2	27.2
2011	115,828	5.7	410,462	1.8	28.2
2012	132,870	14.7	411,476	0.2	32.3
2013	140,697	5.9	399,742	(2.9)	35.2
2014	140,318	(0.3)	412,742	3.3	34.0



This chart shows the percentage of MARTA's operating expenses that are paid by the revenue obtained from the passenger fare.

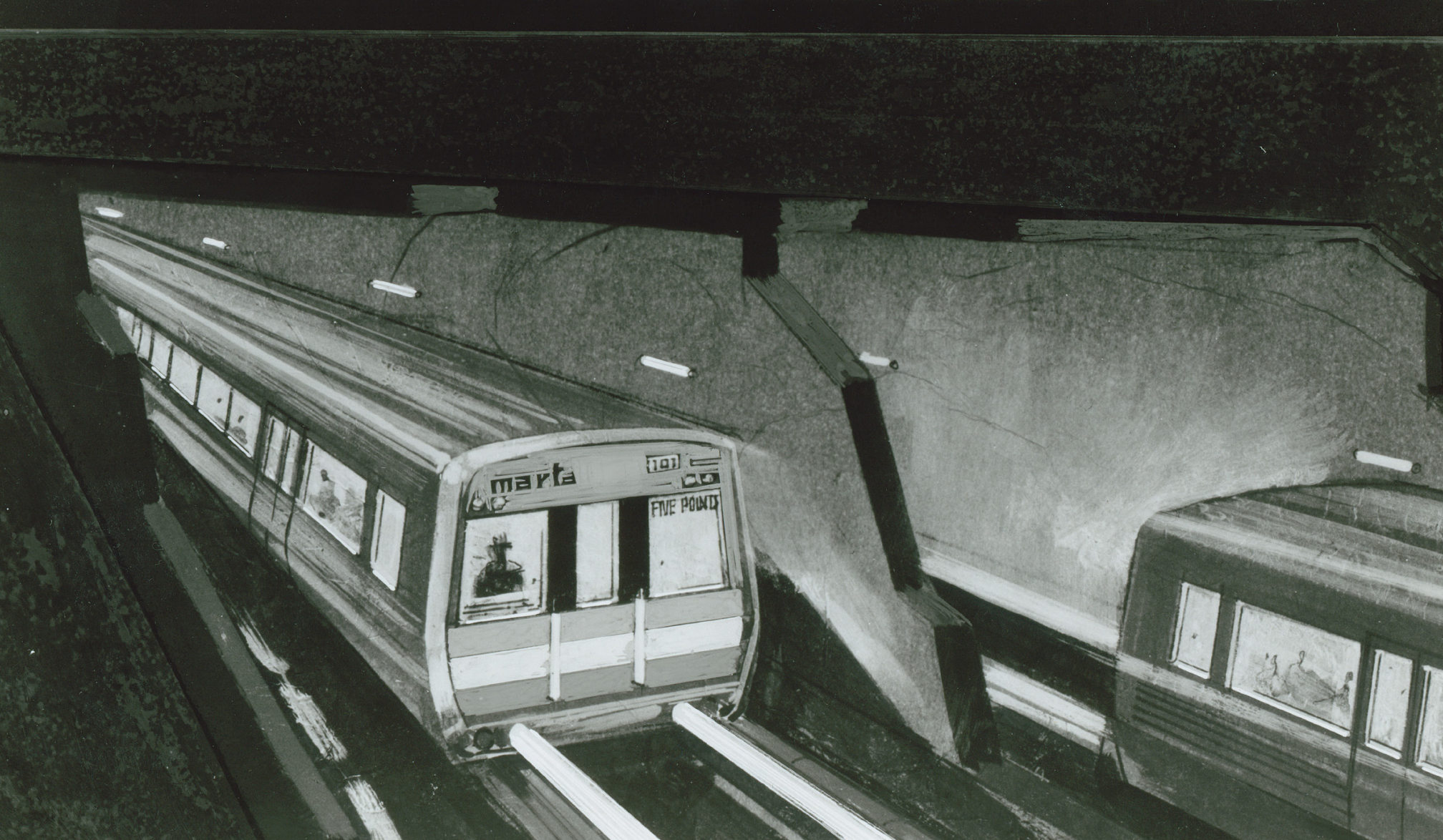
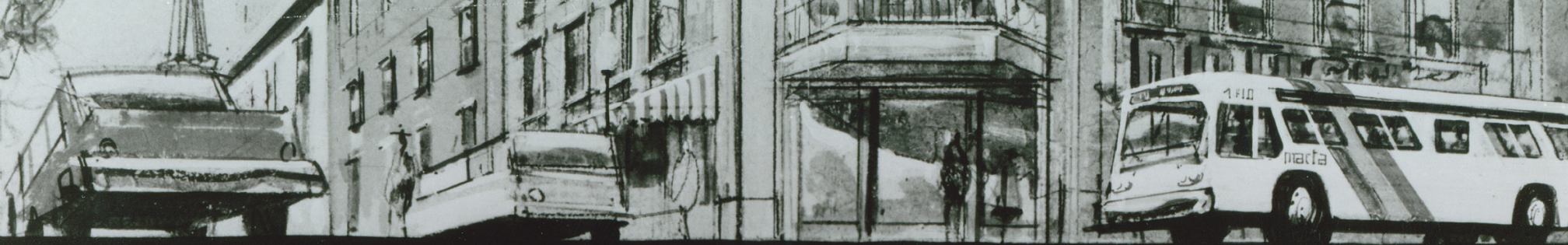
Operating Expenses
Farebox Revenue



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25th
Anniversary

COMBINED BUS AND RAIL SERVICE FOR THIRTY-FIVE YEARS

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