



Charles D. Baker, Governor
Karyn E. Polito, Lieutenant Governor
Stephanie Pollack, MassDOT Secretary & CEO
Steve Poftak, General Manager



**Fiscal and Management Control Board
Transportation Board Room
10 Park Plaza
May 11, 2020**

Joint Meeting 12:23 P.M.

FMCB Meeting 1:41 P.M.

****See notes regarding Public Meeting Comments at end of document***

MEETING MINUTES

Present Remotely: Chair Joseph Aiello, Director Monica Tibbits-Nutt, Director Chrystal Kornegay, Director Brian Lang (joined in at 12:29 p.m.), and Director Brian Shortsleeve

Quorum Present: Yes

MassDOT Board Members Participating in the Joint Portion:

Secretary Stephanie Pollack, Director Joseph Sullivan, Director Betsy Taylor, Director Robert Moylan, Director Chrystal Kornegay, Director Kathleen Murtagh, Director Brian Shortsleeve, Director Mazzarella, Director Tibbits-Nutt, Director Tim King and Director Vanessa Otero

Others Present or Participating:

General Manager Poftak, Marie Breen, Owen Kane, Michelle Ho, Pat Landers, Rob DiAdamo, Michelle Ho, Hope Patterson, MaryAnn O'Hara, David Panagore, Jennifer Tabakin, and Jeff Gonnevill

Massachusetts Bay Transportation Authority

Ten Park Plaza, Boston, MA 02116

www.mbta.com

At the call of Chair Joseph Aiello, a meeting of the Fiscal and Management Control Board (FMCB) was called to order at 12:23 p.m. at the State Transportation Building, Transportation Board Room, 10 Park Plaza, Boston, Massachusetts joining the MassDOT Board of Directors (Board) meeting for Joint Board presentations.

Board Counsel Owen Kane called the roll of the FMCB Directors present:

Director Tibbits-Nutt	Yes
Director Shortsleeve	Yes
Director Kornegay	Yes
Chair Aiello	Yes

Chair Pollack called upon Chair Aiello to present Agenda Item 9, the Report from the Fiscal and Management Control Board. Chair Aiello highlighted a few of the highest priorities and developments from its previous three meetings.

During the April 13 meeting, the FMCB heard from the General Manager on COVID-19 and its impact on revenue, personal protective equipment provided to employees, and the MBTA Advisory Board's report on their review of the preliminary operating budget. The FMCB heard a presentation on the options for the new commuter rail contract and approved four actions: architectural and engineering services for station and accessibility improvements; an amendment to a professional service contract for the Red/Orange Line program; an on-call right of way for the Green Line E Branch; and an amendment to a design and construction professional services contract for the Newton Highlands Accessibility Project.

At the April 27 meeting, the FMCB heard a presentation on preventative maintenance and inspections, a key area of improvement identified in the Safety Review Panel report. The Board also received an update on the FY20 budget, a plan for developing the FY21 budget, and an outline for orientation of the next MBTA governance board. The FMCB voted to amend the original AFC 2.0 contract in order to achieve the same goals under a phased rollout and amended schedule, and voted to amend a professional services contract for the South Coast Rail project.

During a specially scheduled FMCB meeting on May 4, the General Manager provided another update on COVID-19 and its impacts on revenue and ridership and reviewed FY21 budget assumptions, scenarios and priorities.

Chair Pollack announced that Director Lang had joined the meeting at 12:29 p.m.

Chair Pollack next introduced Agenda Item 10, an update on the draft FY21 Capital Investment Plan (CIP) and asked Michelle Ho, Senior Project Manager for Development to present. Ms. Ho noted that due to the current health situation it was unrealistic to develop a five-year plan at this time, and that since this would have been the last year of a rolling five-year CIP, the new direction and focus now was on FY21, a one-year CIP. She discussed new revenue realities, unclear new construction safety rules, and federal and state legislative uncertainty, and said the

process of developing a full-five year plan later in 2020 would begin when the funding picture was clearer.

Ms. Ho said the focus was on continuing investments already underway and those that had been planned to start in FY21. Ms. Ho noted the new plan did not assume new funding sources or new programs and that some revenue sources were being adjusted to reflect current realities. Ms. Ho said the new plan was \$3.7B and discussed the adjustments to revenue and sources; FY21 projects and changes; virtual interactive public engagement meetings; and next steps to finalize content in an on-line format for review during the public comment period.

For this meeting today, Ms. Ho was requesting approval from the MassDOT Board and the FMCB to release the CIP draft for public comment. In June, both Boards would be provided an analysis of public comments received and staff would continue to map investments and an equity analysis before the Joint Board voted on the final CIP in June, as set forth in the attached document labeled, "Draft CIP Update SFY2021, Joint Boards presentation, May 11, 2020."

Secretary indicated that the bond bill authorization was not included in the FY21 CIP.

Discussion ensued on the possibility of further money becoming available from Administration and Finance and/or the federal government

On motion duly made and seconded, it was by roll call of both Boards:

Director Taylor	Yes
Director Moylan	Yes
Director Sullivan	Yes
Director Tibbits-Nutt	Yes
Director Kornegay	Yes
Director Shortsleeve	Yes
Director King	Yes
Director Murtagh	Yes
Director Otero	Yes
Director Mazzarella	Yes
Director Lang	Yes
Chair Aiello	Yes
Chair Pollack	Yes

VOTED:

That the Secretary/CEO is hereby authorized and directed to take any steps deemed necessary and appropriate, to request public comment for the Department's Draft FY21 Capital Investment Program.

Next, Chair Pollack moved to Agenda Item 11 and called upon MBTA Treasurer Pat Landers to discuss the MBTA's debt issuance. Mr. Landers noted that on April 13, 2020 the MassDOT Board approved the MBTA's Plan of Finance as recommended by the MBTA's financial advisor, Public Resources Advisory Group. The board vote authorized the MBTA to produce a Preliminary Official Statement, Supplemental Trust Agreement, and other documents pertaining to the sale of the bonds. Mr. Landers said the Board had since been provided with a draft form of the Preliminary Official Statement, a board disclosure memo and

Supplemental Trust Agreement. Today Mr. Landers was seeking a recommendation from the FMCB, and approval from the MassDOT Board to authorize the MBTA move forward with the transaction in the amount sufficient to finance \$200 million, as set forth in the attached document labeled, "Issuance of Long-Term Debt, May 11, 2020."

Director Taylor noted that this issue was thoroughly discussed at the last Finance and Audit Committee, and the Committee supports the Boards to move forward with the transaction.

On motion duly made and seconded, it was by roll call of the FMCB:

Director Tibbits-Nutt	Yes
Director Shortsleeve	Yes
Director Kornegay	Yes
Director Lang	Yes
Chair Aiello	Yes

VOTED:

**Recommendation to MassDOT Regarding
Issuance of MBTA Bonds**

That the members of the Fiscal and Management Control Board (the "FMCB") hereby recommend to the Board of Directors of the Massachusetts Department of Transportation ("MassDOT") that it:

Authorize the issuance of Subordinated Sales Tax Bonds (the "CIP Bonds") in one or more series or subseries pursuant to the Sales Tax Bond Trust Agreement, in an amount sufficient to finance a \$200 million portion of the costs of the MBTA's Capital Investment Plan (CIP) budget for fiscal year 2021;

Authorize the issuance of Subordinated Sales Tax Bonds (the “Refunding Bonds” and, together with the CIP Bonds, the “Bonds”) in one or more series or subseries pursuant to the Sales Tax Bond Trust Agreement, in such amount as necessary to refund the Authority’s outstanding: Senior Sales Tax Bonds, 2010 Series B; Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2010 Series A; and commercial paper bond anticipation notes;

Authorize the determination by any one or more Authorized Officers to designate all or any portion of the Bonds as ‘Sustainability Bonds’ pursuant to the MBTA’s Sustainability Bond Framework previously approved by MassDOT and to issue any such Sustainability Bonds as a separate series or subseries of the Bonds, such determination to be conclusively evidenced by the execution of such Sustainability Bonds by an Authorized Officer;

Authorize the execution by the General Manager, Chief Administrator, Chief Financial Officer and Treasurer, or any of them acting singly (each, an “Authorized Officer”), acting in the name and on behalf of the MBTA, and delivery of one or more Supplemental Trust Agreements providing for the issuance of the Bonds, in substantially the form presented at this meeting, with such changes as are deemed advisable by an Authorized Officer, the definitive form of such agreement to be evidenced conclusively by the execution thereof by an Authorized Officer;

Authorize the sale of the Bonds by competitive bids or by negotiated sale with a syndicate of underwriters selected by a competitive process;

Authorize (i) the distribution of one or more Preliminary Official Statements, in substantially the form presented at this meeting, with such changes as are deemed advisable by an Authorized Officer, the definitive form of such agreement to be evidenced conclusively by the execution thereof by an Authorized Officer, and (ii) the execution by an Authorized Officer, acting in the name and on behalf of the MBTA, and delivery to the underwriters of the Bonds, of final Official Statements in substantially the same form as the respective Preliminary Official Statement, with such changes, omissions, insertions and revisions as are deemed advisable by an Authorized Officer, the definitive forms of which shall be evidenced by a certificate of such Authorized Officer;

Authorize the execution by an Authorized Officer, acting in the name and on behalf of the MBTA, and delivery of one or more continuing disclosure agreements with respect to the Bonds, in the form approved

by any such Authorized Officer, the definitive form of which shall be evidenced conclusively by the execution thereof by any such Authorized Officer;

Authorize the execution by an Authorized Officer, acting in the name and on behalf of the MBTA, and delivery of one or more purchase contracts with respect to the Bonds, in in the form approved by any such Authorized Officer, the definitive form of which shall be evidenced conclusively by the execution thereof by any such Authorized Officer; and

Authorize each Authorized Officer, the General Counsel and other officers of the MBTA and MassDOT, acting singly, to do all acts and things and to execute, in the name and on behalf of the MBTA, and deliver any and all documents, certificates and other instruments necessary or desirable to effectuate the transactions contemplated by the documents executed in connection with foregoing votes.

On motion duly made and seconded, it was by roll call of the MassDOT Board of Directors:

Director Taylor	Yes
Director Moylan	Yes
Director Sullivan	Yes
Director Tibbits-Nutt	Yes
Director Kornegay	Yes
Director Shortsleeve	Yes
Director King	Yes
Director Murtagh	Yes
Director Otero	Yes
Director Mazarella	Yes
Chair Pollack	Yes

VOTED:

Approval of
Fiscal and Management Control Board Recommendation Regarding
Issuance of MBTA Bonds

Authorize the issuance of Subordinated Sales Tax Bonds (the “CIP Bonds”) in one or more series or subseries pursuant to the Sales Tax Bond Trust Agreement, in an amount sufficient to finance a \$200 million portion of the costs of the MBTA’s Capital Investment Plan (CIP) budget for fiscal year 2021;

Authorize the issuance of Subordinated Sales Tax Bonds (the “Refunding Bonds” and, together with the CIP Bonds, the “Bonds”) in one or more series or subseries pursuant to the Sales Tax Bond Trust Agreement, in such amount as necessary to refund the Authority’s outstanding: Senior Sales Tax Bonds, 2010 Series B; Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2010 Series A; and commercial paper bond anticipation notes;

Authorize the determination by any one or more Authorized Officers to designate all or any portion of the Bonds as ‘Sustainability Bonds’ pursuant to the MBTA’s Sustainability Bond Framework previously approved by MassDOT and to issue any such Sustainability Bonds as a separate series or subseries of the Bonds, such determination to be conclusively evidenced by the execution of such Sustainability Bonds by an Authorized Officer;

Authorize the execution by the General Manager, Chief Administrator, Chief Financial Officer and Treasurer, or any of them acting singly (each, an “Authorized Officer”), acting in the name and on behalf of the MBTA, and delivery of one or more Supplemental Trust Agreements providing for the issuance of the Bonds, in substantially the form presented at this meeting, with such changes as are deemed advisable by an Authorized Officer, the definitive form of such agreement to be evidenced conclusively by the execution thereof by an Authorized Officer;

Authorize the sale of the Bonds by competitive bids or by negotiated sale with a syndicate of underwriters selected by a competitive process;

Authorize (i) the distribution of one or more Preliminary Official Statements, in substantially the form presented at this meeting, with such changes as are deemed advisable by an Authorized Officer, the definitive form of such agreement to be evidenced conclusively by the execution thereof by an Authorized Officer, and (ii) the execution by an Authorized Officer, acting in the name and on behalf of the MBTA, and delivery to the underwriters of the Bonds, of final Official Statements in substantially the same form as the respective Preliminary Official Statement, with such changes, omissions, insertions and revisions as

are deemed advisable by an Authorized Officer, the definitive forms of which shall be evidenced by a certificate of such Authorized Officer;

Authorize the execution by an Authorized Officer, acting in the name and on behalf of the MBTA, and delivery of one or more continuing disclosure agreements with respect to the Bonds, in the form approved by any such Authorized Officer, the definitive form of which shall be evidenced conclusively by the execution thereof by any such Authorized Officer;

Authorize the execution by an Authorized Officer, acting in the name and on behalf of the MBTA, and delivery of one or more purchase contracts with respect to the Bonds, in in the form approved by any such Authorized Officer, the definitive form of which shall be evidenced conclusively by the execution thereof by any such Authorized Officer; and

Authorize each Authorized Officer, the General Counsel and other officers of the MBTA and MassDOT, acting singly, to do all acts and things and to execute, in the name and on behalf of the MBTA, and deliver any and all documents, certificates and other instruments necessary or desirable to effectuate the transactions contemplated by the documents executed in connection with foregoing votes.

Next, Chair Pollack called on Commuter Rail Executive Director Rob DiAdamo to present Agenda Item 12, a discussion of Commuter Rail Contract Options. Mr. DiAdamo discussed potential paths going forward with the goal of a long-term transformational contract to improve service and deliver rail transformation, while driving immediate term performance improvement. Mr. DiAdamo noted the potential strategies included a short-term extension with Keolis per contract to develop/procure a transformational contract, and said staff had been having senior level negotiating sessions with Keolis. The second strategy was to procure a shorter-term new operating contract that would begin the transformation

process while developing/procuring a transformational contract. Mr. DiAdamo commented that a senior staff steering committee had been formed to direct the procurement, have identified internal and external resources to manage the procurement, and have developed a procurement schedule.

Mr. DiAdamo continued discussing future contract goals, scenario planning, ridership uncertainty and rail transformation next steps, as set forth in attached document labeled, "Commuter Rail Contract Update, May 11, 2020."

Extensive discussion ensued on commuter rail transformation, contract development, procurement readiness, partnerships, institutional capacity and cooperation, and national and international resources.

Chair Pollack noted that Agenda Item 13, an update on Commuter Rail Performance was a written document and included in their Board packages.

Lastly, General Manager Poftak provided some comments on Paul Regan's retirement as Executive Director from the MBTA Advisory Board and bestowed an MBTA clock in appreciation of his service. Director Tibbits-Nutt added her own comments about his substantial expertise in transportation that would be missed. Director Sullivan also noted his positive achievements and contributions.

On motion duly made and seconded, it was by roll call:

Director Taylor	Yes
Director Moylan	Yes
Director Sullivan	Yes
Director Tibbits-Nutt	Yes
Director Kornegay	Yes
Director Shortsleeve	Yes
Director King	Yes
Director Murtagh	Yes
Director Otero	Yes
Director Mazzarella	Yes
Chair Pollack	Yes

VOTED: to adjourn the MassDOT Board of Directors at 1:34 p.m.

Chair Aiello asked for a five-minute break before the beginning of the FMCB meeting.

The Chair commenced the FMCB at 1:41 p.m. with the start of the public comment session.

There were three written comments received and distributed to the FMCB members.

Louise Baxter from TRU, commented on the FY21 Budget and the South Coast Rail.

Richard Prone, MBTA Advisory Board representative from Duxbury commented on the commuter rail contract options, commuter rail performance and the Capital Investment Plan.

Olivia Nichols from Green Roots commented on the FY21 Budget.

Louise Baxter, via voicemail, again commented on the FY21 Budget and the South Coast Rail.

Clegg Williams from CLU, via voicemail, commented on the FY21 Budget and associated scenarios.

Lastly, Mela Miles from TRU, via voicemail, commented on the return to work plan of the MBTA and throughout the Commonwealth of Massachusetts and low-income fares.

Public comment period closed at 1:51 p.m.

Next, Chair Aiello called on General Manager Poftak to present Agenda Item 14, the General Manager's Report. Mr. Poftak updated the Board on: safety Initiatives; a construction restart plan including the Blue Line and GLX/commuter rail Lowell line; employee availability and challenges; ridership trends for all modes and by time of day; protecting employees and riders during the COVID-19 pandemic; health testing; enhanced decontamination protocols at stations, facilities and vehicles; service delivery data; preparations to ramp up service; adopting supply-side strategies; and strategies to reshape commuting patterns in Metro Boston, as set forth in the attached document labeled, "Report from the General Manager, May 11, 2020."

Mr. Poftak concluded thanking the MBTA workforce during these unprecedented times.

Directors Tibbits-Nutt and Lang complimented the General Manager and the Secretary for their combined efforts in dealing with and going forward with solutions for the current health issues and challenges faced.

Discussion ensued on the appropriate number of riders and safe social distancing on vehicles, enforcement, equity issues and Keolis' capability to run full service.

The Chair next called upon Hope Patterson, Deputy Director of Stakeholder Engagement to present Agenda Item 15, the FMCB Public Schedule. Ms. Patterson reviewed upcoming agenda items with the Board, as set forth in the attached document labeled, "FMCB Public Schedule, May 11, 2020." Discussion ensued.

Next, Chair Aiello called on Chief Financial Officer Mary Ann O'Hara to present Agenda Item 16, the FY21 Draft Operating Budget. Ms. O'Hara provided a follow-up to last week's meeting that included priorities and recommendations for a revised FY21 itemized budget.

Ms. O'Hara's overview indicated that the overall objective of the FY21 budget was to support the return to full FY20 service levels even while assuming substantially lower ridership and fares, thus ensuring that social distancing could be

sustained. Ms. O'Hara noted that while prioritization decisions needed to be determined now and over the course of the coming fiscal year, CARE funding would allow the MBTA to support FY20 services levels, although safety headcount would be phased in depending on revenue availability.

Ms. O'Hara noted that the proposed budget did not require any increase in fares and supported elimination of cash/Charlie Card surcharge as part of Stage 1 and 2 of Fare Transformation. She said the proposed operating budget was an initial budget that she anticipated revisiting quarterly and/or as events transpired after the state budget was adopted.

She next reviewed in detail: structural assumptions and considerations, followed by revenue assumptions for the FY21 operating budget, expenses and debt service; FY21 ridership/revenue assumptions; historical fare revenue vs. projected fare revenue including CARES Act Federal Assistance; historical revenue and expenses; and historical hires, promotions and separation data.

Ms. O'Hara concluded with a discussion of the preliminary itemized budget and previously voted on initiatives, as set forth in the attached document labeled, "FY21 Operating Budget Revised, May 11, 2020."

Discussion ensued on means tested fares inclusion in the budget, regular monthly review of the budget in light of current challenges, and budget planning for FY22 based on future scenarios.

On motion duly made and seconded, it was voted by roll call:

Director Tibbits-Nutt	Yes
Director Shortsleeve	Yes
Director Kornegay	Yes
Director Lang	Yes
Chair Aiello	Yes

VOTED:

That the Fiscal and Management Control Board approves the Authority's Preliminary 21 itemized budget of for a one year period – July 1, 2020 through June 30, 2021, in the form submitted at this meeting; and

That the General Manager is hereby authorized and directed to submit the approved itemized budget, in the name and on behalf of the Authority, to the MBTA Advisory Board no later than June 15, 2020 in accordance with Section 20 of Chapter 161A of the Massachusetts General Laws, as amended by Chapter 56 of the Acts of 2020.

Lastly, Chair Aiello called on South Coast Rail Project Manager Jennifer Tabakin to present Agenda Item 17, an update on the South Coast Rail (SCR) project. Ms. Tabakin provided a quarterly update and overview of the project and the new SCR team. Ms. Tabakin continued with the program schedule and overview of six stations, infrastructure and real estate in Phase 1; demolition contract; upcoming major construction and upcoming advertising for the New Bedford/Middleborough Line to complete Phase I of the project.

Ms. Tabakin concluded discussing key contract interfaces; testing and commissioning; the Fall River secondary contract; and the New

Bedford/Middleborough Contract; South Coast Rail authorized funding and related budget information; the capital spending plan for FY20-FY25; previously awarded SCR construction contracts and stakeholder engagement, as set forth in the attached document labeled, "South Coast Rail Phase 1 Update, May 11, 2020."

Ms. Tabakin said today's action was for a new contract that included three major elements: the construction of approximately 12 miles of new trackway along the existing Fall River Secondary right of way from Berkley to Fall River, the construction of two commuter rail passenger stations, and other associated work.

On motion duly made and seconded by roll call it was:

Director Tibbits-Nutt	Yes
Director Shortsleeve	Yes
Director Kornegay	Yes
Director Lang	Yes
Chair Aiello	Yes

VOTED:

That the General Manager, or his designee, is hereby authorized to award and execute in the name of and on behalf of the Massachusetts Bay Transportation Authority (the "MBTA"), and in a form approved by the General Counsel, MBTA Construction Contract No. K78CN03: South Coast Rail, Fall River Secondary Commuter Rail Expansion Project with Skanska DW White JV, for an amount not to exceed \$158,975,000.00.

On motion duly made and seconded, it was by roll call:

Director Tibbits-Nutt	Yes
------------------------------	------------

Director Shortsleeve	Yes
Director Kornegay	Yes
Director Lang	Yes
Chair Aiello	Yes

VOTED: to adjourn the meeting at 3:31 p.m.

Documents relied upon for this meeting:

Issuance of Long-Term Debt, May 11, 2020
Draft CIP Update SFY2021, Joint Boards presentation, May 11, 2020
Commuter Rail Contract Update, May 11, 2020
Commuter Rail Performance Update, May 11, 2020
Report from the General Manager, May 11, 2020
FMCB Public Schedule, May 11, 2020
FY 21 Operating Budget Revised, May 11, 2020
South Coast Rail Phase 1 Update, May 11, 2020

***Notes Regarding Public Comment:** In an effort to provide effective opportunities for public comment and engagement while protecting the health and safety of the public and staff, this meeting of the FMCB will be held virtually. Public comment will be taken (1) in writing by email or mail, (2) by voice message, and (3) by live public comment through telephone conference call.

(1) Written comments may be submitted by email to publiccomment@dot.state.ma.us or mail to:

MassDOT Board of Directors *and/or* Fiscal and Management Control Board
C/O Owen Kane
10 Park Plaza - Suite 3510
Boston, MA 02116

For written comments received by mail or email at least one hour before the start of the FMCB meeting, the commenter's name and affiliation (if stated), along with the subject line of the message will be shared in the meeting and on the Livestream. Mailed and emailed comments will be compiled and distributed to all Board Members in advance of the meeting.

(2) Voice message comments may be submitted by calling 857-368-1655 and leaving a message at least one hour before the start of the FMCB meeting. Voice messages will be played aloud during the public comment portion of the board meeting and captured in the livestream video. Messages must be limited to two minutes per commenter, or up to four minutes for comments submitted on behalf of an organization or elected official and at the discretion of the Board Chair.

(3) Public comment may be provided in real-time during the public comment portion of the meeting by telephone conference call. Live public comments are limited to two minutes per commenter at the discretion of the Board Chair. To provide a comment live by telephone, you must email publiccomment@dot.state.ma.us at least one hour before the start of the meeting with your name and affiliation (if applicable) and item(s) for which you will provide comments. Participants will be sent a conference call number by email about 30 minutes prior to the start of the meeting. Participants will be called upon by the Board Chair to provide comments in the order they have signed up. At the end of the public comment period, participants who have offered comments may observe the FMCB meeting using the livestream video available at mbta.com. Members of the public who would like to watch the meeting but are not interested in providing comments should also use the livestream video available at mbta.com.