



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  
April 8, 2019 #164  
12:00 Noon  
*MEETING MINUTES***

---

**Present:** Director Joseph Aiello, Director Monica Tibbits-Nutt  
Director Chrystal Kornegay, Director Lang and  
Director Brian Shortsleeve (departed open session  
at 2:47 p.m.)

**Quorum Present:** Yes

**Others Present:** Secretary Stephanie Pollack General Manager Steve  
Poftak, Jeff Gonnevill, Nathan Peyton, Owen Kane,  
Marie Breen, Michelle Kalowski, Evan Rowe, Kat  
Benesh, Joe Cheever, Samantha Silverberg, Erik  
Stoothoff

At the call of Chair Aiello, a meeting of the Fiscal and Management Control Board (Board) was called to order at 12:05 p.m. at the State Transportation Building, Transportation Board Room, 10 Park Plaza, Boston, Massachusetts.

Chair Aiello opened up the public comment period for items appearing on the agenda.

Massachusetts Bay Transportation Authority

Ten Park Plaza, Boston, MA 02116

[www.mbta.com](http://www.mbta.com)

The first speaker, Staci Rubin from the Conservation Law Foundation, commented on the Better Bus Project and the Capital Investment Program.

Next, Igor Slootsky commented on the Better Bus Program and the elimination of North Shore express bus service.

Next, Roxanna Rivera, Vice President of SEIU 32 BJ, commented on the upcoming station and facilities cleaning contract.

Next, MBTA Advisory Board representative from Duxbury Richard Prone commented on having later evening trains on the Old Colony and Greenbush lines (submitted written testimony).

Next, Kristiana Lachiusa from Livable Streets Alliance commented on the Better Bus Project equity analysis.

Next, Marilyn McNabb commented on The RIDE and the ride-sharing pilot with Uber and Lyft.

Next, Louise Baxter commented on the Better Bus Project and the station and facilities cleaning contract.

Lastly, Evan Foss from Newton commented on the station and facilities cleaning contract.

Public comment period concluded at 12:23 p.m.

Next, was the approval of the minutes of the April 1, 2019 meeting.

**On motion duly made and seconded, it was:**

**VOTED: to approve the minutes April 1, 2019.**

**Chair Aiello and Director Lang abstained from voting.**

Chair Aiello continued with the agenda and called upon General Manager Steve Poftak to present the Report of the General Manager, Agenda Item D. Mr. Poftak reviewed current core system improvements of bus, subway and the commuter rail and discussed the FY20 budget proposal and its investment priorities, as set forth in the attached document labeled, "General Manager's Remarks, April 8, 2019." Discussion ensued.

Next, Chair Aiello called upon Deputy General Manager Jeff Gonneville to present Agenda Item E, the Deputy General Manager's Report. Mr. Gonneville first updated the Board on the commuter rail-derailing incident on the Haverhill line that occurred the previous week. Discussion ensued.

Mr. Gonneville continued with updates on station brightening and The RIDE's new software transition, as set forth in the attached document labeled, "Deputy General Manager's Remarks, April 8, 2019."

Next, MassDOT's Deputy Chief of Staff Nathan Peyton presented Agenda Item F, the FMCB Calendar. Mr. Peyton reviewed upcoming agenda items with the Board, as set forth in the attached document labeled, "FMCB Public Schedule, April 8, 2019." Discussion ensued.

Next, the Chair called upon Joe Cheever, Senior Director of Engineering and Maintenance, with contribution from Mr. Gonneville and Erik Stoothoff, to present

Agenda Item G, a discussion of the Stations and Facilities Cleaning Contract. Mr. Cheever provided an overview of strategy for delivering cleaner stations, including the current state of cleaning services, results of research and benchmarking evaluation, the new contract framework and new management approach. Mr. Cheever concluded with key milestones and next steps, as set forth in the attached document labeled, "Transit Station and Facility Cleaning, April 8, 2019." Discussion ensued.

Next, Chair Aiello called on Revenue Director Evan Rowe to present Agenda Item H, an update on Bus Shelters. Mr. Rowe discussed the opportunity and needs of the current bus shelter structure system as it was today. Mr. Rowe continued with a discussion of the importance of bus stops and amenities and a desired future state.

Due to time constraints, the Chair interrupted Mr. Rowe to move to Agenda Item K, the FY20 Budget Report and Recommendation of the MBTA Advisory Board.

Chairman Aiello called upon Executive Director Paul Regan of the MBTA Advisory Board to discuss its recommendation on the MBTA's FY20 preliminary budget, Agenda Item J. Mr. Regan noted that the MBTA continued to impose order and structure on its budget but continued to seek additional revenue assistance from the state. Mr. Regan proposed a 1% increase in the deeds excise tax as an avenue to this obtain additional revenue.

Mr. Regan concluded that the time had come for change and that MBTA leaders needed to become more involved in advocating for legislation that would bring in additional dollars. Discussion ensued.

Chair Aiello introduced Agenda Item K, a discussion of the FY20 Budget and invited Acting Chief Financial Officer Paul Brandley to present.

Mr. Brandley indicated several changes had been made to the preliminary budget presented in March incorporating additional investments both visible and impactful to customers, noting the Advisory Board had reviewed and provided feedback on the Budget. Mr. Brandley indicated that the FMCB and MBTA management would closely monitor financial performance during FY 20 and make incremental investments as were possible.

Mr. Brandley outlined specific proposed investments including six additional motor persons for the Green Line, station services (cleaning) and operating workforce. Mr. Brandley continued with a summary of FY20 initiatives and noted that the FY20 operating deficit was \$36.5 after additional investments.

Mr. Brandley concluded with a summation of the FY20 itemized operating budget, as set forth in the attached document labeled, "FY20 Final Itemized Operating Budget, April 8, 2019." Discussion ensued. The Directors requested that key metrics be made available monthly on hiring, own-source revenue, cost control and lock box spending monitoring. Discussion ensued.

Chair Aiello made a motion to accept the Equity Analysis performed for the fare increase proposal approved by the Board on March 11, 2019.

On motion duly made and seconded, it was:

**VOTED: To accept the Equity Analysis prepared for the Fare Increase Proposal approved on March 11, 2019.**

On motion, duly made and seconded, it was:

**VOTED:**

**WHEREAS, the Fiscal and Management Control Board (the "FMCB") voted on March 11, 2019 to submit the preliminary Massachusetts Bay Transportation Authority ("MBTA") FY 2020 itemized Operating Budget (the "Operating Budget"), in the name and on behalf of the Authority, to the MBTA Advisory Board for review, as required by M.G.L. ch. 161A, §11; and**

**WHEREAS, as part of said Operating Budget, the FMCB voted on March 11, 2019 to approve the MBTA's FY2020 Fare Proposal ("Fare Proposal"), which includes an overall system-wide fare increase of approximately 6%, effective July 1, 2019, subject to certain conditions; and**

**WHEREAS, as required by Federal Transit Administration ("FTA") Title VI Circular 4702.1B, MBTA has completed a fare equity analysis for the Fare Proposal and has determined that there is not a disparate impact nor a disproportionate burden to minorities or low-income individuals, nor disproportionate benefits to non-low-income populations, and the FMCB has considered and approved such analysis.**

**NOW, THEREFORE, BE IT VOTED:**

**That the FMCB hereby adopts the attached Fiscal Year 2020 Operating Budget for the MBTA.**

**Massachusetts Bay Transportation Authority  
FY20 Final Itemized Budget**

REVENUES	FY18 Actual	FY19 Projection	FY20 Itemized Budget (\$M)
<b>Operating Revenues</b>			
Fares, all modes	\$ 661.1	\$ 664.7	\$ 693.9
Other Operating Revenue	\$ 88.1	\$ 93.6	114.2
- Advertising	24.2	27.4	36.4
- Parking	37.1	37.9	44.5
- Real Estate	17.2	17.9	21.6
<b>Total Operating Revenue</b>	<b>749.2</b>	<b>758.4</b>	<b>808.1</b>
<b>Non-Operating Revenues</b>			
Dedicated Sales Tax	1,006.8	1,032.1	1,063.0
Dedicated Local Assessments	166.5	170.1	174.4
Other	92.9	72.9	37.4
<b>Total Non-Operating</b>	<b>1,266.1</b>	<b>1,275.1</b>	<b>1,274.8</b>
<b>TOTAL REVENUES</b>	<b>\$ 2,015.3</b>	<b>\$ 2,033.4</b>	<b>\$ 2,082.9</b>
<b>EXPENSES</b>			
<b>Operating Expenses</b>			
Regular Wages	\$ 449.0	\$ 451.7	\$ 472.9
Overtime	54.2	47.4	34.1
<b>Total Wages</b>	<b>503.1</b>	<b>499.1</b>	<b>507.0</b>
Pensions	93.8	102.9	118.2
Healthcare	101.0	103.8	104.6
- Employee Health	61.6	60.5	60.6
- Retiree Health	39.4	43.3	44.0
Health & Welfare Fund	11.7	11.8	12.0
Other Fringe	12.2	12.7	12.4
Payroll Taxes	40.2	40.2	41.1
<b>Total Benefits &amp; Taxes</b>	<b>258.9</b>	<b>271.4</b>	<b>288.3</b>
Materials	48.8	47.2	46.2
Services	109.3	119.6	124.5
Fuel	14.4	16.6	14.7
Utilities	46.6	41.8	41.9
Contract Cleaning	25.0	25.7	29.7
<b>Materials and Services</b>	<b>244.2</b>	<b>250.9</b>	<b>257.0</b>
<b>Insurance and Damages</b>	<b>10.6</b>	<b>13.1</b>	<b>14.3</b>
<b>Purchased Commuter Rail Service</b>	<b>394.3</b>	<b>411.4</b>	<b>418.9</b>
- Fixed Price + PRIIA	327.2	336.6	344.4
- Extra Work & Services	39.6	45.4	44.8
- Fuel	27.6	29.4	29.7
<b>Purchased Local Service Subsidy</b>	<b>124.4</b>	<b>134.2</b>	<b>134.9</b>
- THE RIDE	108.6	116.3	115.2
- Ferry Services	13.4	14.9	16.5
- Other LSS	2.4	3.0	3.2
<b>Financial Service Charges</b>	<b>7.7</b>	<b>7.8</b>	<b>8.1</b>
<b>Total Operating Expenses</b>	<b>\$ 1,543.3</b>	<b>\$ 1,587.9</b>	<b>\$ 1,628.5</b>
<b>Debt Service</b>			
Interest	\$ 228.4	\$ 215.8	\$ 214.1
Principal Payments	243.6	266.2	276.9
Lease Payments	0.0	0.0	0.0
<b>Total Debt Service</b>	<b>\$ 472.0</b>	<b>\$ 482.0</b>	<b>\$ 490.9</b>
<b>TOTAL EXPENSES</b>	<b>\$ 2,015.3</b>	<b>\$ 2,069.9</b>	<b>\$ 2,119.4</b>
<b>Structural Deficit</b>	<b>\$ 0.0</b>	<b>\$ (36.5)</b>	<b>\$ (36.5)</b>
<b>Fare Recovery Ratio</b>	<b>42.8%</b>	<b>41.9%</b>	<b>42.6%</b>

Source: MBTA Preliminary Itemized Budget - Statement of Revenues and Expenses  
(Amounts may not foot due to rounding)

Next, the Chair asked Mr. Rowe to return and conclude his presentation on Bus Shelters. Mr. Rowe discussed a proposed framework and next steps for a new model for bus amenities, for a current plan that called for a request for proposals in the fall and the awarding of a contract in late 2019, as set forth in the attached document labeled, "Bus Stops and Amenities, April 8, 2019." The Directors requested more in-depth details on the five aspects of the proposed framework, and discussion ensued.

Next, Chair Aiello called on Kat Benesh, Chief of Operations Strategy, Policy & Oversight to present Agenda Item I, an update on the Better Bus Project near term proposals. Ms. Benesh noted that the goals of her presentation was to summarize the deeper analysis of the Better Bus Project proposals and to seek Board approval to move forward with implementation of the recommended revised package, as set forth in the attached document labeled, "Better Bus Project Update, April 8, 2019." Discussion ensued. The Directors concurred that this was a good plan to move forward and requested Ms. Benesh return to the Board in two weeks for approval.

Lastly, the Chair called upon Senior Director of Capital Planning Samantha Silverberg to present Agenda Item L, the Capital Investment Program (CIP) update. Ms. Silverberg provided the Board with updated funding sources and draft uses in the Capital Investment Program in preparation of a Board Vote to release the document for public comment in May, and for the final CIP to be voted on in June, as set forth in the attached document labeled, "FY20-24 Capital Investment Plan, Sources and Uses, April 8, 2019." Discussion ensued.



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

**Chair Aiello** **Yes**

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

**Director Kornegay** **Yes**

**Director Lang** **Yes**

**VOTED: To adjourn at 3:53 p.m. into Executive Session for a discussion of strategy related to a real estate matter**

**Documents relied upon for this meeting:**

Minutes of April 1, 2019

General Manager's Remarks, April 8, 2019

Deputy General Manager's Remarks, April 8

FMCB Public Schedule, April 8, 2019

Transit Station and Facility Cleaning, April 8, 2019

Bus Stops and Amenities, April 8, 2019

FY20 Final Itemized Operating Budget, April 8, 2019

Better Bus Project Update, April 8, 2019

FY20-24 Capital Investment Plan, Sources and Uses, April 8, 2019

MBTA Advisory Board FY20 MBTA Operating Budget Oversight Report

MBTA Title VI Program - Disparate Impact and Disproportionate Burden Analysis, March 20, 2019

Potential MBTA Fare Changes in SFY2020, March 2019