



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



**Fiscal and Management Control Board
Transportation Board Room
10 Park Plaza
September 11, 2017
*MEETING MINUTES***

Present: Chairman Joseph Aiello, Director Lisa Calise, Director Brian Shortsleeve and Director Monica Tibbits-Nutt

Quorum Present: Yes

Others Present: Secretary Pollack, Steve Poftak, John Englander, Owen Kane, Mike Abramo, Byron Lynn, Beth Larkin, Laurel Paget-Seekins, Mark Fuller, Jeffrey Gonnevillle, Paul Brandley, Nathan Peyton, John Dalton and David Mohler

MassDOT Board Members Present for the Joint Portion of the meeting:

Chair Stephanie Pollack, Directors Dominic Blue, Ruth Bonsignore, Tim King, Dean Mazzearella, Robert Moylan, Brian Shortsleeve, Joseph Sullivan and Betsy Taylor

PROCEEDINGS:

At the call of Chair Aiello, a meeting of the Fiscal and Management Control Board (FMCB) was called to order at 2:33 p.m. at the State Transportation Building, Transportation Board Room, 10 Park Plaza, Boston, Massachusetts.

The Fiscal and Management Control Board joined the MassDOT Board of Directors (Board) meeting already in progress for Joint Board Presentations and Actions.

Chair Pollack called upon Chairman Aiello to present Agenda Item 9, the Report from the Fiscal and Management Control Board. Chair Aiello discussed highlights of the last two FMCB meetings which included the late night bus pilot; the bus diversions policy; overhaul of 155 New Flyer busses; the pilot commuter rail service to Foxboro; the early morning bus pilot; the Keolis Revenue Sharing Initiative and improvements for the Wellington Maintenance Facility.

Next, Chair Pollack called upon Green Line Extension Project Manager John Dalton to present Agenda Item 10, Green Line Extension Update. Mr. Dalton updated the Board on the design build procurement status and schedule; the GLX Program Management/Construction Management (PMCM) contract and the status of GLX staff deployment, as set forth in the attached document labeled "Green Line Extension Project, September 11, 2017." Discussion ensued.

Next, Chair Pollack called upon MBTA Treasurer Paul Brandley to present Agenda Item 11, a discussion and possible action of the MBTA Debt Issuance. Mr. Brandley provided an executive summary outlining the current existing debt profile, issuance summary and current advisors. Mr. Brandley said he was seeking approval of the debt issuance from the FMCB and MassDOT which would provide long-term financing for CIP projects, replenish Commercial Paper capacity and

interim finance for the Positive Train Control project. He discussed the capital program and funding needs, the sustainable bond issuance and an overview of the financing, as set forth in the attached presentation labeled “MBTA Debt Issuance Discussion and Vote, September 2017.” Mr. Brandley had presented to the Finance and Audit Committee earlier in the day and the Committee agreed to recommend approval of the debt issuance to go before the Joint Board for authorization. Discussion ensued.

On motion duly made and seconded by the FMCB, it was;

VOTED:

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:

Approve the Plan of Finance recommended by the MBTA’s Financial Advisor, Public Financial Management, Inc., in its memorandum presented herewith;

Approve the issuance of Subordinated Sales Tax Bonds pursuant to the Sales Tax Trust Agreement, for the purpose of financing the costs of a portion of the MBTA’s Capital Investment Plan (CIP) budget for fiscal years 2018 and 2019 (the “CIP Bonds”);

Approve (i) the issuance of Subordinated Sales Tax Bonds in one or more series or subseries pursuant to the Sales Tax Trust Agreement to evidence the payment obligations under the TIFIA-RRIF Loan Agreement (as defined below), and thereby to finance costs of implementing the federally-required positive train control system (the “PTC System”) on a long-term basis (the “PTC Bonds”) and (ii) in anticipation of the issuance of the PTC Bonds, the issuance of Subordinated Sales Tax Bond

Anticipation Notes pursuant to the Sales Tax Bond Trust Agreement and, if necessary, one or more renewals thereof (the “Notes”), for the purpose of financing a portion of the costs of the PTC System on a short-term basis, such Notes to be repaid with the proceeds of the PTC Bonds;

Approve (i) the MBTA’s Sustainability Bond Framework in substantially the form presented at this meeting, and (ii) the determination by the General Manager, Chief Administrator, Chief Financial Officer and Treasurer, or any of them acting singly (each, an “Authorized Officer”), to designate all or any portion of the aforementioned bonds or notes as ‘Sustainability Bonds’ and to issue any such Sustainability Bond as a separate series or subseries of the aforementioned bonds or notes, such determination to be conclusively evidenced by the execution of such Sustainability Bond by an Authorized Officer;

Approve one or more supplemental trust agreements, in substantially the forms presented at this meeting, with such changes as are deemed advisable by an Authorized Officer, the definitive form of such agreements to be evidenced conclusively by the execution thereof by an Authorized Officer;

Direct that the aggregate principal amount of CIP Bonds issued by the MBTA for the foregoing purposes shall not exceed \$290 million and the aggregate principal amount of PTC Bonds and Notes issued by the MBTA for the foregoing purposes shall not exceed \$315 million;

Authorize (i) the distribution of Preliminary Official Statements and Official Notices of Sale with respect to the CIP Bonds and the Notes, substantially in the forms presented at this meeting, with such changes as are deemed advisable by an Authorized Officer, the definitive forms of which shall be evidenced by a certificate of an Authorized Officer, and (ii) the distribution, execution by an Authorized Officer and delivery to the initial purchasers of the CIP Bonds and the Notes of final Official Statements in substantially the same form as the respective Preliminary Official Statements, 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 sale of the CIP Bonds and the Notes by competitive bids, on the terms and in the manner set forth in the Official Notices of Sale;

Authorize the execution and delivery by any Authorized Officer, acting singly, of one or more continuing disclosure agreements with respect to the CIP Bonds and the Notes, 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 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, on motion duly made and seconded by the Board, it was;

VOTED:

That the members of the Board of Directors of the Massachusetts Department of Transportation (“MassDOT”) hereby approve the recommendation of the Massachusetts Bay Transportation (“MBTA”) Fiscal and Management Control Board that:

Approve the Plan of Finance recommended by the MBTA’s Financial Advisor, Public Financial Management, Inc., in its memorandum presented herewith;

Approve the issuance of Subordinated Sales Tax Bonds pursuant to the Sales Tax Trust Agreement, for the purpose of financing the costs of a portion of the MBTA’s Capital

Investment Plan (CIP) budget for fiscal years 2018 and 2019 (the “CIP Bonds”);

Approve (i) the issuance of Subordinated Sales Tax Bonds in one or more series or subseries pursuant to the Sales Tax Trust Agreement to evidence the payment obligations under the TIFIA-RRIF Loan Agreement (as defined below), and thereby to finance costs of implementing the federally-required positive train control system (the “PTC System”) on a long-term basis (the “PTC Bonds”) and (ii) in anticipation of the issuance of the PTC Bonds, the issuance of Subordinated Sales Tax Bond Anticipation Notes pursuant to the Sales Tax Bond Trust Agreement and, if necessary, one or more renewals thereof (the “Notes”), for the purpose of financing a portion of the costs of the PTC System on a short-term basis, such Notes to be repaid with the proceeds of the PTC Bonds;

Approve (i) the MBTA’s Sustainability Bond Framework in substantially the form presented at this meeting, and (ii) the determination by the General Manager, Chief Administrator, Chief Financial Officer and Treasurer, or any of them acting singly (each, an “Authorized Officer”), to designate all or any portion of the aforementioned bonds or notes as ‘Sustainability Bonds’ and to issue any such Sustainability Bond as a separate series or subseries of the aforementioned bonds or notes, such determination to be conclusively evidenced by the execution of such Sustainability Bond by an Authorized Officer;

Approve one or more supplemental trust agreements, in substantially the forms presented at this meeting, with such changes as are deemed advisable by an Authorized Officer, the definitive form of such agreements to be evidenced conclusively by the execution thereof by an Authorized Officer;

Direct that the aggregate principal amount of CIP Bonds issued by the MBTA for the foregoing purposes shall not exceed \$290 million and the aggregate principal amount of PTC Bonds and Notes issued by the MBTA for the foregoing purposes shall not exceed \$315 million;

Authorize (i) the distribution of Preliminary Official Statements and Official Notices of Sale with respect to the CIP Bonds and the Notes, substantially in the forms presented at this meeting, with such changes as are deemed advisable by an Authorized Officer, the definitive forms of which shall be evidenced by a certificate of an Authorized Officer, and (ii) the distribution, execution by an Authorized Officer and delivery to the initial purchasers of the CIP Bonds and the Notes of final Official Statements in substantially the same form as the respective Preliminary Official Statements, 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 sale of the CIP Bonds and the Notes by competitive bids, on the terms and in the manner set forth in the Official Notices of Sale;

Authorize the execution and delivery by any Authorized Officer, acting singly, of one or more continuing disclosure agreements with respect to the CIP Bonds and the Notes, 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 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 upon David Mohler, Executive Director of Transportation Planning for MassDOT to present Agenda Item 12, an update on Modal Plans. Mr. Mohler discussed the schedule for the Rail Plan, the Freight Plan, the Bicycle Plan, Pedestrian Plan and Focus 40. He summarized the

reasons for, the public engagements of, and the current status and next steps of the Rail Plan and the Freight Plan as set forth in the attached presentation labeled “Modal Planning Update, September 11, 2017.” Discussion ensued.

Next, Chair Pollack called upon MassDOT Deputy Chief of Staff Nathan Peyton to present Agenda Item 13, an update on the water transportation study. Mr. Peyton introduced Alice Brown of Boston Harbor NOW who was the project manager of the study and acknowledged Rail & Transit Administrator Astrid Glynn for her contributions. Mr. Peyton provided an overview of two Water Transportation Studies, Deliverables, Project Schedule and next steps, as set forth in the attached presentation labeled “Water Transportation Study & Business Planning Update, September 11, 2107.” Discussion ensued.

On motion duly made and seconded, it was;

VOTED:

To adjourn the MassDOT Board of Directors meeting at 3:55 p.m.

Next, Chair Aiello opened the public comment period for FMCB Agenda Items.

The first speaker, Steven Kaiser, commented on power-point presentations and information overload.

The next speaker, Louise Baxter from TRU commented on police dispatching.

The next speaker, Carl Seglem commented on bus service and the FMCB agendas.

The last speaker, Marc Ebuna from Transit Matters, commented on overnight service, live-streaming and service updates.

Next, Chair Aiello said a few words in recognition and support of Director Lisa Calise's phenomenal service and involvement with the FMCB, followed by Director Shortsleeve, Director Tibbits-Nutt, Interim General Manager Steven Poftak, General Counsel John Englander and Laurel Paget-Seekins.

Next, Director Calise addressed the Board thanking them for their support over the past two-and-one-half years.

Chairman Aiello next called upon Interim General Manager Steve Poftak to present Agenda Item 14, the Report from the Acting General Manager. Mr. Poftak updated the Board on the status of and update on recent activities of the MBTA: public engagement; bus maintenance; major projects; contracted services report; commuter rail management organization; system performance; the Bus Roadeo and coming attractions. Deputy General Manager Jeffrey Gonnevillle contributed to the report providing an update of operational reliability, as set forth in the attached presentation labeled "GM Remarks, September 11, 2017." Discussion ensued.

Mr. Poftak concluded his remarks by thanking staff for their support during his tenure as Interim General Manager and to Director Lisa Calise for her commitment to the MBTA and the FMCB.

Next, Chair Aiello called upon Chief Transformation Officer Nick Easley with contribution from Police Superintendent Richard Sullivan to present Agenda Item 16, an update on the Transit Police Department Dispatch Contract. Mr. Easley was seeking approval from the Board to approve a contract for civilian police dispatch services with IXP Corporation. He provided an overview of police dispatch, followed by outlining benefits, timeline and cost control, as set forth in the attached presentation labeled "Transit Police Dispatch Update: Proposed Third Party Provider, September 11, 2017." Discussion ensued.

On motion duly made and seconded, it was;

VOTED:

That the Fiscal and Management Control Board hereby approves and authorizes the General Manager, or his designee, to execute in the name and on behalf of the Massachusetts Bay Transportation Authority ("MBTA"), and in a form approved by the General Counsel, an agreement with IXP Corporation for a five-year period in an amount not to exceed \$4,825,120.00 for the operation and management of the MBTA's Public Safety Dispatch Services.

Next, Chair Aiello called upon Chief Administrator Michael Abramo to present Agenda Item 15, an update on the FY17 Budget. Mr. Abramo said the MBTA operating budget performance exceeded expectations in FY17 and continued to hold the line on expense growth. He discussed FY17 service metrics and gave an update on FY18 and FY19, as set forth in the attached presentation labeled "Operating Budget Stability – FY17 Recap, September 11, 2017." Discussion ensued.

Lastly, the Chair called upon Assistant General Manager for Capital Delivery Beth Larkin to present Agenda Item 17, a discussion of the Wollaston Station/ Quincy Center Station Garage Project. Ms Larkin noted that the Board action requested will provide for consultant Construction Phase Services for the Wollaston Station Improvements and Quincy Center Station Garage Demolition Project located in the City of Quincy, as set forth in the attached presentation labeled “MBTA Contract No. A46PS01 Amendment No. 9 Wollaston Station Improvements and Quincy Center Garage Demolition, September 11, 2017.” Discussion ensued.

On motion duly made and seconded, it was;

VOTED:

That the Interim General Manager be, and hereby is, authorized to execute, in the name and on behalf of the Authority, and in a form approved by the General Counsel, Amendment No. 9 to MBTA Contract No. A46PS01 entitled, “Wollaston Station Improvements and Quincy Center Station Garage Demolition – Design Engineering Services” with Kleinfelder Northeast, Inc., for a sum not to exceed \$2,116,532.00.

Next on motion duly made and seconded it was, by roll call;

Chairman Aiello	Yes
Director Calise	Yes
Director Shortsleeve	Yes
Director Tibbits-Nutt	Yes

VOTED: To enter into Executive Session for a discussion of strategy related to real estate, collective bargaining and potential litigation at 5:04 p.m.

Documents relied upon for this meeting:

Green Line Extension Project, September 11, 2017
Debt Issuance Discussion and Vote, September 11, 2017
Modal Planning Update, September 11, 2017
Water Transportation Study & Business Planning Update, September 11, 2017
GM Remarks, September 11, 2017
Transit Police Dispatch Update: Proposed Third Party Provider, September 11, 2017
Operating Budget Stability, September 11, 2017
MBTA Contract No. A46PS01 Amendment No. 9 Wollaston Station Improvements and Quincy Center Garage Demolition, September 11, 2017