



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 27, 2020
12:00 p.m.
*MEETING MINUTES***

Present Remotely: Chair Joseph Aiello, Director Monica Tibbits-Nutt, Director Chrystal Kornegay (joined at 12:08 p.m.) and Director Brian Lang

Quorum Present: Yes

Others Present:: Secretary Stephanie Pollack, General Manager Steven Poftak, Deputy General Manager Jeff Gonneville, Owen Kane, Joe Cheever, David Panagore, Ron Renaud, Jennifer Tabakin, Laurel Paget-Seekins

At the call of Chair Joseph Aiello, a meeting of the Fiscal and Management Control Board (FMCB) was called to order at 12:04 p.m. at the State Transportation Building, Transportation Board Room, 10 Park Plaza, Boston, Massachusetts.

Board Counsel Owen Kane called a roll call of the FMCB Directors to ensure a quorum:

Director Lang	Yes
Director Tibbits-Nutt	Yes
Chair Aiello	Yes

Massachusetts Bay Transportation Authority

Ten Park Plaza, Boston, MA 02116

www.mbta.com

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

First, Louise Baxter from TRU, by voicemail, commented on safety, new Board orientation, transformation and regional transportation.

Next, Staci Rubin from the Consumer Law Foundation, by voicemail, commented on fare transformation and future Board orientation.

Next Zachary McLaughlin from the Boston Student Advisory Council, by voicemail, commented on the FY20/21 Budget, the Federal Cares Act, and low-income fares.

Next, Kristiana Lachiusa from Livable Streets, through Webinar, commented on fare transformation and low-income fares.

Next, Mela Miles from TRU, through Webinar, commented on fare transformation, safety, air circulation on vehicles and low-income fares.

Next, Mark Liu from the Chinese Progressive Association, through Webinar, commented on a low-income fare structure, safety, and more frequent bus service.

Next, Collique Williams from CLU, and Jarred Johnson from Transit Matters, both through Webinar, commented on fare transformation and the FY20/21 budget.

Chair Aiello closed the public comment session at 12:27 p.m.

Next, was the approval of the minutes of March 9, 2020.

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

Director Tibbits-Nutt	Yes
Director Kornegay	Yes
Chair Aiello	Yes

**VOTED: To approve the minutes of March 9, 2020.
Director Lang abstained from voting.**

Next, was the approval of the minutes of March 23, 2020.

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

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

VOTED: To approve the minutes March 23, 2020.

Next, was the approval of the minutes of April 13, 2020.

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

Director Lang	Yes
Director Kornegay	Yes
Chair Aiello	Yes

**VOTED: To approve the minutes April 13, 2020.
Director Tibbits-Nutt abstained from voting.**

Chairman Aiello called on General Manager Steven Poftak to present Agenda Item D, the Report from the General Manager. Mr. Poftak discussed service updates during the current pandemic situation including ridership. Mr. Poftak continued to provide an update on COVID-19 positive employees and those who have recovered; reviewed the management structure through the crisis and related communications and outreach.

Deputy General Manager Gonneville continued discussing how the MBTA was protecting employees and customers through the PPE program; protecting employees and customers through employee health testing and contamination processes; and limited vehicle capacity and continuity of operations.

General Manager Poftak returned to discuss how the MBTA was planning to move forward during this health crisis and next steps, as set forth in the attached document labeled, "Report from the General Manager, April 27, 2020." Chair Aiello commented that the President of APTA was pleased with the MBTA's response to the pandemic crisis.

Chair Aiello next reviewed Agenda Item E, the FMCB Public Schedule, as set forth in the attached document labeled, "FMCB Public Schedule, April 27 2020." Chair Aiello asked that the General Manager work with the FMCB on processing and reworking upcoming agenda topics and scheduling additional meetings.

Next, Chair Aiello called on Senior Director of Engineering and Maintenance Joe Cheever to present Agenda Item F, the Safety Update, a discussion of preventative maintenance inspections. Mr. Cheever provided a brief background and update on the Asset Management Systems and reviewed the four departments of E&M critical assets: the Transit Facilities Maintenance, the Maintenance of Way, the Power Systems Maintenance and Signals and Communications Maintenance. He noted the MBTA would be working to convert its paper work management processes to digital processes that could be managed with tablets operated by technicians in the field, enabling real time asset status and work tracking. Mr. Cheever continued with a discussion of modernized maintenance and the confluence of efforts.

Mr. Cheever noted that in developing full cycle asset management for the MBTA transit infrastructure, employee technicians would be given the tools to be efficient and to build competence in all aspects of systems maintenance. He said data driven decisions were now accessible through real-time tools, such as trending to highlight early indicators, work management and clear management view of compliance. Mr. Cheever noted that Engineering and Maintenance was now better positioned to succeed at infrastructure maintenance to support a best-in-class transit system that was reliable and safe, as set forth in the attached document labeled, "Preventative Maintenance and Inspection Improvements, April 27, 2020." Discussion ensued on the ownership of assets, inspections related data, future transparency and auditing.

Next, Chair Aiello called upon David Panagore, Chief Administrative Officer to present Agenda Item G, the FY20 budget update and planning for the FY21 budget. Mr. Panagore reviewed the proposed operating budget timeline, requesting the addition of one or two FMCB meetings.

Mr. Panagore next provided an update on the FY20 budget noting that fare revenue had decreased 95% to \$3M a month, down from \$58M a month; the MBTA was to receive \$827M under the CARES Act; ridership and revenue continue to decline; and updated March actual results. Mr. Panagore said the next challenge was the development of the FY21 budget due to the COVID-19 pandemic and unknown circumstances. Mr. Panagore next discussed a modeling ridership program and recovery for the budget using a baseline budget model that, as recovery events transpired, the MBTA could revisit and amend the FY21 operating budget identifying any additional service costs (e.g. enhanced cleaning protocols).

Mr. Panagore concluded with a detailed list of next steps, as set forth in the attached document labeled, "FY20 Revenue Impact, April 27, 2020." Discussion ensued on the use of bond funds for capital salaries and operational flexibility and the constraints on spending of the CARES Act.

Next, Chair Aiello called upon Assistant General Manager of Policy Laurel Paget-Seekins to present Agenda Item H, a discussion of future Board orientation. Ms. Paget-Seekins noted the FMCB Board was scheduled to terminate on June 30,

2020 and that the MassDOT would become the MBTA governance board unless legislation was changed.

Mr. Paget-Seekins reviewed the four main responsibilities of the new Board: setting policy for the Authority and guide plans to shape the future; approve plans and programs as mandated by regulatory partners; approve the operating and capital budgets, debt issuance, and provide fiduciary oversight; and approve contracts, major service and fare changes.

Ms. Paget-Seekins concluded with a discussion of key briefing materials to be provided to the new Board, as set forth in the attached document labeled, "Future Board Orientation Plan, April 27, 2020." Discussion ensued on providing the new Board with information on lessons learned from the current FMCB Directors.

Chairman Aiello next called on Chief Transformation Officer Ron Renaud to present Agenda Item I, an update on fare transformation. Mr. Renaud provided an overview and background to the fare transformation reset. He noted that in 2018, the MBTA entered into a Public Private Partnership with a joint venture for a new fare collection system. In December 2019, key changes were made to the project based on feedback and lessons learned. Mr. Renaud said that to support the new project plan, the FMCB authorized two contracts, one with Scheidt and Bachmann to invest in the legacy system and one with Cubic Transportation Systems and Boston AFC 2.0 OpCo for a bridge agreement to advance the project while the

contract amendment was negotiated. The vote taken after this presentation seeks further authorization to enter into the amendment of the 2019 contract.

Ms. Paget-Seekins returned to discuss the benefits of the new fare system and next steps for fare transformation and specific improvements.

Mr. Renaud continued to discuss the Fare Transformation Reset. As described in the presentation of December 2019, the MBTA had a new plan for improving fare collection at the MBTA that would take longer and cost more than the original plan, but staff was confident the outcome would result in meaningful benefits to its customers, in both the near-term and the long-term.

Mr. Renaud reviewed the specific benefits of the amendment proposed today and costs to the capital, operations and maintenance costs. Mr. Renaud said the new system would give the MBTA the flexibility to charge different fares based on time of day or other factors and integrate ferry and commuter rail fare transfers with the bus and subway systems while allowing faster boarding of buses and trolleys, as set forth in the attached document labeled, "Fare Transformation, April 27, 2020." Discussion ensued on public comment input and outreach.

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

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

VOTED:

**MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
AMENDED AND RESTATED PROJECT AGREEMENT FOR
AUTOMATED FARE COLLECTIONS SYSTEM SERVICES**

Board Authorizing Resolution

WHEREAS, on November 20, 2017, the Massachusetts Bay Transportation Authority (the “MBTA”) authorized the award of a privately financed, performance-based project agreement (the “Project Agreement”) to the Cubic | John Laing consortium (the “Consortium”) in connection with the procurement and delivery of a new automated fare collection system (the “System”) which, as further described in the Request for Proposals No. 88-16 for Automated Fare Collections System Services (the “RFP”), supports a robust set of fare policies, supports multiple fare collection methods, supports integrated fare policies and functionality, supports multiple payment devices, provides web and mobile software applications and an interactive voice response phone system, complies with MBTA policies and applicable laws and regulations relating to equity, meets or exceeds accessibility requirements established by applicable law and MBTA policies, provides accurate and fully reconciled revenue deposits and reports, provides a secure communications network to exchange data, provides for secure transactions, provides configuration and operational flexibility, reduces the cost of fare collection, controls fare evasion, prevents fraud, provides ridership and revenue data analytics, and reduces boarding and conductor collection times; and

WHEREAS, the Consortium formed Boston AFC 2.0 OpCo LLC, a limited liability company organized and existing under the laws of the state of Delaware, for purposes of entering into and fulfilling the Project Agreement; and

WHEREAS, the MBTA and Boston AFC 2.0 OpCo LLC entered into the Project Agreement and certain ancillary agreements on March 20, 2018; and

WHEREAS, the MBTA and Boston AFC 2.0 OpCo LLC have mutually decided to modify the schedule for installing the System and to modify certain other terms of the existing Project Agreement, and to make such modifications

in the form of a new agreement for completion and delivery of the System (the “Amended and Restated Project Agreement”); and

WHEREAS, the MBTA concluded that modification of the Project Agreement in the form of the Amended and Restated Project Agreement is in the public interest, will maximize effectiveness, and will promote the general economic and social well-being of the MBTA’s service area and the Commonwealth; and

WHEREAS, the Amended and Restated Project Agreement requires certain ancillary agreements, as further described below; now, therefore:

BE IT RESOLVED BY THE FISCAL AND MANAGEMENT CONTROL BOARD OF THE MASSACHUSETTS BAY TRANSPORTATION AUTHORITY:

1) That the General Manager is hereby authorized to enter into the Amended and Restated Project Agreement, in such final form as may be approved by the General Counsel, with Boston AFC 2.0 OpCo LLC for a total estimated amount of \$935,411,841.44 (the “Contract Amount”), which is comprised of certain lump sum milestone payments as the System is developed and installed and monthly availability payments (including payment for capital costs, operating costs and transaction costs) which ramp up as the System becomes fully operational, costs relating to the MBTA’s portion of the payment of the Independent Certifier, costs relating to the MBTA’s portion of the payment of fees for mediators who may be retained to assist the parties to resolve disputes, costs relating to the MBTA’s portion of the payment of the Independent Payment Consultant, and a contingency for costs relating to benchmark interest rate movements;

2) That the General Manager is hereby authorized to enter into the Financial Close Agreement with Boston AFC 2.0 OpCo LLC in such final form as may be approved by the General Counsel and subject to the Contract Amount; and

3) That the General Manager is hereby authorized to enter into certain ancillary agreements, including the Amended and Restated Lenders’ Remedies Agreement, the Amended and Restated Material Contract Direct Agreement, the Amended and Restated Independent Certifier Agreement, MBTA Standard Non-Disclosure Agreements, and all other contracts, documents and agreements as may be necessary to effectuate the Amended and Restated Project Agreement and carry out the

responsibilities of the MBTA thereunder, all in such final form as may be approved by the General Counsel; provided that such authorization is subject to the Contract Amount.

Lastly, Chair Aiello called on Jennifer Tabakin, South Coast Rail Project Manager to present Agenda Item J, an amendment to a professional services contract for the South Coast Rail project.

Ms. Tabakin provided an overview of the Project and requested an amendment to the contract to provide Owner's Representative Services for the South Coast Rail Commuter Rail Project, as set forth in the attached document labeled, "Amendment to Professional Service Contract: South Coast Rail Commuter Rail Expansion Project, April 27, 2020."

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

Director Lang	Yes
Director Tibbits-Nutt	Yes
Director Kornegay	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 Contract No. K78PS02 to increase the contract ceiling by \$2,143,040.88 in order to continue Owner's Representative Services with WSP USA.

Chair Aiello adjourned the meeting at 2:50 p.m.

Documents relied upon for this meeting:

Minutes of March 9, 2020

Minutes of March 23, 2020

Minutes of April 13, 2020

Report from the General Manager, April 27, 2020

FMCB Schedule, April 27, 2020

Preventative Maintenance and Inspection Improvements, April 27, 2020 FY20 Revenue Impact, April 27, 2020

Future Board Orientation Plan, April 27, 2020

Fare Transformation, April 27, 2020

Amendment to Professional Service Contract: South Coast Rail Commuter Rail Expansion Project, April 27, 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 GoToWebinar.***

Summary of written comments submitted:

Commenter Name	Org (If Applicable)
Louise Baxter	T-Riders Union
Garrett Wollman	N/A

Adam Castiglioni	N/A
Stacy Thompson	LivableStreets Alliance
Jen Benson	Alliance for Business Leadership
Anna Leslie	Allston-Brighton Health Collab.
Mela Miles	ACE
Collique Williams	Community Labor United
Staci Rubin	Conservation Law Foundation
Matt Casale	MASSPIRG
Jarred Johnson	Transit Matters
Chris Dempsey	T4MA
Stacey Beutell	WalkBoston
Sylvia Parsons, Jack Spence, John MacDougall	350MASS Transportation WG
Julia Wallerce	ITDP