



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



## MINUTES

### Meeting of the Fiscal and Management Control Board

October 5, 2020 AT 11:00 A.M.

10 PARK PLAZA, BOSTON, MA

***This meeting was held virtually in accordance with the Order Suspending Certain Provisions of the Open Meeting Law issued by Governor Baker on March 12, 2020. Board members participated remotely and had materials provided to them prior to the meeting. Public participation and comment occurred via written communication, voice message and live public comment through conference call.***

***This meeting was live streamed.***

#### BOARD MEMBERS

##### PARTICIPATING REMOTELY:

Chairman Joseph Aiello, Vice-Chair Monica Tibbitts-Nutt, Director Brian Lang, and Director Chrystal Kornegay

##### Others Present and/or Participating for Various Portions of the Meeting:

General Manager Steve Poftak, Secretary Stephanie Pollack, Deputy General Manager Jeff Gonnevillle, Deputy Director of Stakeholder Engagement Hope Patterson, Deputy Director of Policy and Strategic Planning Lynsey Heffernan, Chief Financial Officer Mary Ann O'Hara, Deputy Director of Advertising Elizabeth Winters-Ronaldson, Director of Strategic Research Anna Gartsman, Director of Special Projects Angel Donahue-Rodriguez, Chief of Operations Strategy, Policy & Oversight Kat Benesh, Deputy Chief Administrative Officer Samantha Silverberg, Chief of Capital Programs Jay Neider, Chief Engineer Erik Stoothoff, Assistant Director of Policy Daniel Sullivan, General Counsel Marie Breen, Chief Counsel Michelle Kalowski, and Senior Counsel Amy Nash

**A. Call to order by the Chair**

Chair Aiello called the meeting of the Fiscal and Management Control Board to order at 11:13 AM after a slight technical delay. He announced that the Board would enter into Executive Session and provide their opening comments after that point.

**B. Executive Session**

Chair Aiello began with the first item on the agenda, an executive session to discuss certain real estate matters as to which he had determined, and the General Counsel concurred, discussion during an open session may have a detrimental effect on the negotiating position of the MBTA.

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

**VOTED: to enter executive session to discuss certain real estate matters, the discussion of which during open session may have a detrimental effect on the negotiating position of the MBTA.**

<b>Chair Aiello</b>	<b>Yes</b>
<b>Vice Chair Tibbits-Nutt</b>	<b>Yes</b>
<b>Director Kornegay</b>	<b>Yes</b>
<b>Director Lang</b>	<b>Yes</b>

The Chair explained that the FMCB would return to open session at the conclusion of the executive session and continue with the open portion of the agenda, adding that the open portion of the agenda would not re-commence until noon at the earliest.

The FMCB entered Executive Session at 11:15 am.

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The FMCB returned from Executive Session at 12:05 PM.

Chair Aiello welcomed members and the public to the meeting and called the meeting of the Fiscal and Management Control Board to order.

Senior Counsel Amy Nash called the roll of the Members participating remotely, being a quorum of the Fiscal and Management Control Board:

<b>Chair Aiello</b>	<b>Yes</b>
<b>Vice Chair Tibbits-Nutt</b>	<b>Yes</b>
<b>Director Kornegay</b>	<b>Yes</b>
<b>Director Lang</b>	<b>Yes</b>

### **C. Public Comment**

In accordance with the current public health emergency, public comment was taken through voicemail, email, and regular mail, and live comment through telephone call. Written public comments received were distributed to the Directors and public during the meeting. The Directors listened to public comments left via voicemail:

Jarred Johnson of Transit Matters commented on the Green Line improvement project, stating that the Red and Orange Line modernization deserves to be held to the same level of transparency.

Mark Liu of the Chinese Progressive Alliance urged the board not to rush decisions on service cuts, citing the need more time for public input and the upcoming Presidential election. Mr. Liu stated that permanent cuts are not the answer and expressed a preference for raising progressive taxes and preventing further corporate tax cuts.

Susan Barrett of Lexington expressed opposition to potential service cuts and called for expansion of services for transit-critical populations.

Mela Miles of Alternatives for Community and Environment, the T Riders Union, and the Green Justice Coalition stated that the board should not rush permanent decisions in its

Forging Ahead process and that the current schedule is too rapid to allow sufficient public input.

Mike Vadabedian of the Machinists Union Local Section 115 said that schedule for considering permanent service cuts is happening too fast and does not allow time for public input. He expressed concern that unnecessary permanent cuts could be made.

Staci Rubin of the Conservation Law Foundation thanked the Board for keeping advocates informed and that Forging Ahead should focus on increasing revenue rather than pitting riders of different lines against each other, citing the need for increased public transit options and transformational initiatives.

Kristiana Lachiusa of the Livable Streets Alliance said that her organization understands that the FMCB does not control revenue but advocated that the board look for ways to increase revenue.

Galen Mook of MassBike commented on projected cuts said that he was concerned about cuts in transit and urged the board not to make quick decisions and to find money to solve problems rather than making cuts.

Louise Baxter of the T Rider's Union asked that the board slow down budget cuts and work with federal government for progressive funding and the state to tax state pensions.

Olivia Nichols of GreenRoots said she was concerned by the fast pace of the timeline for "Forging Ahead" and asked the board to call on the legislature to raise tax rates on unearned and corporate income.

Collique Williams of Community Labor United said that the board not rush decisions about service cuts, stated that permanent cuts will lead to transit casualties and unplanned

effects, and urged the FMCB to find new revenue sources and provide adequate time for public input.

There were no real-time commenters.

The Chair thanked the commenters and respectfully asked people commenting by voicemail to keep their calls to two minutes or less.

#### **D. Approval of Minutes**

The next item on the agenda was the approval of the minutes of the September 14, 2020 meeting.

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

**VOTED: To approve the minutes of the Fiscal Management and Control Board**

**Meeting held on September 14, 2020.**

<b>Chair Aiello</b>	<b>Yes</b>
<b>Vice-Chair Tibbitts-Nutt</b>	<b>Yes</b>
<b>Director Lang</b>	<b>Yes</b>
<b>Director Kornegay</b>	<b>Yes</b>

#### **E. Report from the General Manager**

Chair Aiello introduced MBTA General Manager, Steve Poftak, who provided the Report from the General Manager, Agenda Item E.

Mr. Poftak began by mourning the loss of Operator Bernadin Etienne, who was lost to a fatal accident at the Charlestown bus yard and stated that staff are looking to implement measures to make sure this never happens again.

Mr. Poftak described the GLX construction tour that he attended with the Governor and Secretary Pollack on October 1, which was led by project manager John Dalton. Mr.

Poftak said that the Green Line Extension is now over 50% complete, with the new Lechmere viaduct in place and an opening planned for the end of 2021.

Mr. Poftak continued, providing an update on ridership trends. Mr. Poftak stated that staff are attempting to make the process on budget changes deliberate and allow for extensive public comment but noted that some potential changes will take time to implement and stated the goal is to have a decision by December 7th.

Director Kornegay thanked the staff for their work and noted that the decisions will be difficult and that the timeframe is also important.

#### **F. Report from the Deputy General Manager**

Deputy General Manager Jeff Gonneville presented an update on the Red Line and Orange Line car programs and outlined the schedule for delivery of cars from CRRC. He assured the board that the MBTA is actively engaged with CRRC to identify issues and develop solutions, noting that the contract with CRRC allows the MBTA to collect delay damages at contract completion.

Chair Aiello thanked the Deputy GM and congratulated the staff for working with CRRC.

Secretary Pollack echoed the Chair's comments and emphasized the importance of holding CRRC to contractual commitments. She said that existing MBTA vehicles need to be replaced soon, so the new cars should be in service as soon as they are found to be reliable. The Secretary commended staff's hard work amid frustration with delays.

#### **G. FMCB Public Schedule**

Deputy Director of Stakeholder Engagement Hope Patterson presented Agenda Item G, the FMCB Public Schedule and noted that the public schedule has been updated through the end of 2020.

The Chair suggested pushing the decarbonization discussion to January, given that the Commonwealth will not give us data until December and the board is already scheduled to discuss climate change vulnerability and assessments on December 7<sup>th</sup>. The Chair also reiterated his previous comments about the MBTA website be modified to include more information on climate change. He asked the General Manager if he could add an update on possible website modification.

General Manager Poftak said staff would tentatively push decarbonization to January.

The Chair said he would like a representative from the Taxpayers Foundation to come to one of the upcoming FMCB meetings to discuss the CIP over the long term, as has been done in the past.

Secretary Pollack asked that the issues of the one-year capital plan be segregated from the longer term, five-year capital plan. Chair Aiello asked for Mr. Poftak to reach out to the Massachusetts Taxpayer's Foundation to find a mutually agreeable date to attend a meeting.

## **H. Safety Update**

Hope Patterson and Deputy Director of Policy & Strategic Planning Lynsey Heffernan presented Item H on the agenda, the safety update.

Ms. Heffernan reported that staff are aligning strategic planning and safety initiatives and provided an overview of the Safety Review Panel report.

Ms. Patterson stated that four new "core teams" were formed to address safety panel recommendations. The teams have created a new aligned process to address initiatives and project management structure. Ms. Patterson concluded by reviewing the safety initiatives governance structure and discussed process benefits.

Director Kornegay asked how this process translates into safety outcomes.

Mr. Poftak explained that this initial report was meant to be a process update, and that subsequent meetings will address outcomes. Staff are hoping to feature a specific initiative that has been realized soon; accordingly, the November schedule is not finalized yet.

Director Kornegay asked how safety training ties into decreased risks and achieving our goals, requesting that staff connect these in the quarterly updates.

#### **I. Red Line/Orange Line Transformation Program Update**

Chief of Red Line/Orange Line Transformation Maysoon Tawfik provided an update on the Red Line/Orange Line Transformation Program. Ms. Tawfik said that staff are on target to have all infrastructure projects completed by 2024. Improvements to facilities and yards are scheduled. Necessary signaling upgrades are underway and a major milestone was completed on the Red Line recently. The Orange Line will be down to 4.5-minute headways by 2023. The result of these improvements should be faster service, less maintenance, more space and more reliable trips for both lines. Ms. Tawfik reviewed the program's FY20 accomplishments, listed the members of the new OL/RL Transformation Steering Committee and discussed opportunities and challenges going forward, including construction logistics and funding sources.

The Chair stated that the creation of this governance structure is a major breakthrough and reiterated that goals for headways and the goal of 95% performance are different. He asked if staff have a deadline for the completion of operational modelling.

Ms. Tawfik stated that once the team completes its roadmap, they will have identified the gaps and have a better feel of when modelling can be completed, assuring the Chair that staff will have an answer by December.

#### **J. Forging Ahead**



The Chair introduced Kat Benesh, Anna Gartsman, and Angel Donahue-Rodriguez to provide an update on the Forging Ahead process.

Ms. Benesh laid out the third presentation on Forging Ahead scenario planning and service. She stated that staff are aligning on principles and tradeoffs, and reviewed the associated matrix based on transit-criticality and ridership potential. She announced that the team would present the results of this analysis, cautioning that it is part of a larger discussion.

Ms. Gartsman provided an overview of the essential services analysis.

Director Kornegay asked for clarification on the acronym SDP, which Ms. Gartsman explained stands for service delivery policy.

Ms. Gartsman stated that the point of their analysis is to put all services on the same framework. She noted that ridership potential is based on pre-Covid-19 ridership and subsequent retention and that transit criticality is travel demand measure.

Secretary Pollack noted that staff is not looking only at who is riding but also at the needs of riders and examining mode-shifting.

Ms. Gartsman presented an overview of the essential services analysis. Secretary Pollack reminded the Board that they adopted the service frequencies when they adopted the SDP standards.

The Chair said that this analysis must intersect with crowding concerns. Secretary Pollack agreed and stated that is why staff are also looking at current ridership. The Chair cautioned that averages do not always reflect crowds due to clumping.

Ms. Benesh stated that staff are targeting bringing a service package to the FMCB on November 2.

Chair Aiello thanked the team for their work, stating his hope that these scenarios might be avoided. The Chair expressed concern about FY22 and that future cuts may be more severe and asked if staff could effectuate changes in the last quarter of this fiscal year. The Chair asked whether some trains are not productive and said it is incumbent on the FMCB to push staff to look for ways to accelerate modest changes earlier to avoid draconian changes later. He reiterated that cuts must be made carefully and that the FMCB needs to understand all alternatives.

Ms. Benesh stated that staff will take that input back and identify opportunities to accelerate, keeping in mind the MBTA's statutory requirements. Mr. Poftak said that a Title VI analysis should occur after the preferred package is determined.

Director of Special Projects Angel Donahue-Rodriguez discussed the communication plan for the Forging Ahead initiative. He said that staff recognize the need to engage with riders and stakeholders to discuss the decisions facing the MBTA and assured the FMCB that staff will do so in accordance with Covid-19 guidelines. Mr. Donahue-Rodriguez explained that the MBTA will be using community liaisons who work with partner organizations to reach their members.

Director Tibbitts-Nutt asked how the community liaisons program will work, including onboarding and training and asked if the liaisons are MBTA employees.

Mr. Donahue-Rodriguez answered that the liaisons will be 3-4 contractors, not employees, and that staff finalize the training regime based on previous practices. Liaisons will report directly to Mr. Donahue-Rodriguez.

Ms. Benesh said that more information would be provided at the Joint Board meeting on October 19 and the next FMCB meeting on November 2.

Chairman Aiello noted that use of term “permanent cuts” could sound draconian to someone unfamiliar with the definitions being used and stated that the goal is to improve routes that were imperfect prior to Covid. He cautioned against the use of terms that could set back our ability to have a dialogue.

**K. FY21 Budget Update**

Chief Financial Officer Mary Ann O’Hara and Deputy Director of Advertising Elizabeth Winters-Ronaldson presented the Budget Update for Fiscal Year 2021. Ms. O’Hara reviewed projected operating losses and the budget gap of approximately \$400 million. Ms. O’Hara said that staff are budgeting conservatively, as despite positive trends and an increase in ridership, we are not back to where we were a year ago.

Ms. Winters-Ronaldson provided detail on fare revenues. She said that commuter rail and ferry pass revenues are declining while subway and bus pass revenue is growing.

Ms. O’Hara said that operating expenses are better than budget and the hiring plan will alleviate some overtime costs. She continued with a review of Covid-19 spending, which has stabilized, and safety measures. She reviewed operating budget headcounts, presented new information on potential budget risks and savings opportunities, and fiscal actions taken to date.

The Chair noted that the transfer of \$80 million in capital does not come without costs, such as delayed maintenance. He stated that staff should look for all options to save expenses so the MBTA can transfer less from the capital to the operating budget.

**L. Forging Ahead: Capital Projects**

Deputy Chief Administrative Officer Samantha Silverberg discussed capital projects as part of the Forging Ahead process. She said that this is the first of multiple presentations about a proposed reallocation of funds from the capital to operating budgets to address the

budget gap and promised to return with specific proposals in November. Ms. Silverberg explained that staff recommends the MBTA plan to reallocate federal formula funds to provide maximum budget flexibility and restore full capital sources by FY24 and asked if the FMCB concurs.

The Chair said that this is something that members will need to consider and asked to see information about FY22 and FY 23 for more perspective. Secretary Pollack concurred that the decisions are important.

Mr. Poftak stated that these decisions must be carefully considered and that pulling funds from capital projects for operating costs is not sustainable over time. Chair Aiello then commented that the board needs to look at the issue from a multi-year impact and do their best to preserve capital programs. The Chair expressed concern about the high rate of borrowing, stating that the FMCB must be careful with loading up future operating budgets with borrowing. He said it is important to show what the MBTA has done on this.

Secretary Pollack noted that staff needs feedback from the FMCB to balance the transfer of funds from the capital budget to the operating budget, the amount of the Section 5307 federal formula funds to be rerouted to the operating budget, and where the MBTA's debt service level should be. She pointed out that there are direct tradeoffs between the two budgets.

The Chair asked if there is a way of implementing cuts sooner and stated that it is important to look for other opportunities to tighten the belt.

Ms. Silverberg stated that staff does not recommend debt backfill and said that the intention is to ensure debt service does not exceed 25% of budget cost. Chair Aiello said that it would be good to have historical numbers on borrowing to better make decisions.

The Chair reiterated that the FMCB and staff owe it to themselves to really understand all the possible pathways.

Ms. Silverberg explained that the staff are reviewing current contracts and capital projects to determine which are flexible and to identify projects to potentially pause, delay, and/or scale back. She said that staff have adapted the Forging Ahead decision-making framework to the process of capital reallocation but that it will not compromise safety.

Chair Aiello said that the framework is helpful but that many projects have multiple dimensions and goals. He asked if it is possible to apply this framework to such projects.

Ms. Silverberg replied in the affirmative and said that staff are developing plans to distinguish between elements that cannot be delayed and those that can be implemented as funds become available.

Mr. Poftak added that this is an active discussion and staff are trying to think creatively.

Secretary Pollack said that staff need to identify options for partial work that we can proceed with even as other parts are delayed. There is a need to toggle some resources.

The Chair added that the Commuter Rail fleet is very aged and with transformation program partially driven by climate change obligations, short-medium term leasing may make sense.

Ms. Silverberg concluded that this is the framework that will guide the proposals staff bring to the FMCB in early November and reviewed next steps.

The Chair thanked staff for making a complicated process easier to understand.

## **M. Electricity Procurement**

Senior Director of Energy & Environment Andrew Brennan discussed electricity procurement historically and current options for energy procurement. Mr. Brennan said that

staff ultimately decided the best option would be to keep the traditional 70% block with a shorter three-year contract that includes certified Renewable Energy Credits, and reviewed indicative pricing from 3 bidders, which ranges from \$11.06 to 11.79 million and that the renewable energy supply would add at least \$800,000. Mr. Brennan provided a summary of current, underway and future projects generating renewable energy, including solar canopies, wind turbines, new solar power purchase agreements. He noted that the T could become an anchor customer for upcoming offshore wind projects. He explained that, with the current procurement, staff are working on qualifying bidders and then will enter the final bid process but because cost windows remain open for just 24 hours, staff do not have the ability to bring a final contract to the FMCB. Mr. Brennan said that 100% of the supply will be coming from renewable sources.

There were no questions.

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

**VOTED: that the General Manager be authorized to execute a formal contract, in a form approved by the General Counsel, with the designated low-bidder in accordance with the specifications laid out in the RFP in an amount not to exceed \$38 million over a three-year term.**

<b>Chair Aiello</b>	<b>Yes</b>
<b>Vice Chair Tibbits-Nutt</b>	<b>Yes</b>
<b>Director Kornegay</b>	<b>Yes</b>
<b>Director Lang</b>	<b>Yes</b>

Chair Aiello commended the staff on the way they developed this package from a strategic perspective, stating that he approves of new projects to develop ideas. He added that staff might want to separate on-site and off-site as separate procurements and go large

with proposals, keeping their ambitions high. The more power staff asks for, the more bidders and better prices the MBTA will get.

Mr. Brennan said he believes there is a real opportunity for the MBTA here, acknowledging there will be a lot of strategic questions moving forward.

#### **N. Architectural & Engineering Services Contract for MBTA Design Standards and Guidelines**

Chief Engineer Erik Stoothoff presented on a proposed contract with ARUP USA, Inc. for certain architectural and engineering services. Mr. Stoothoff explained that the vote on the contract to ARUP USA would update the MBTA's outdated design guidelines to reflect best practices and MBTA needs. The piecemeal approach currently in place requires a high level of attention by staff whereas the new system will simplify standards and increase consistency and ease of use, speeding up development schedules. Mr. Stoothoff provided an overview of design standards and guidelines, coordinating with current standards and guidelines from across the MBTA. He ended by reviewing the procurement timeline.

Director Lang asked whether, given the MBTA's financial challenges and the cost of this contract, the MBTA could do this internally rather than hiring ARUP.

Mr. Stoothoff responded that the updated standards resulting from this contract would result in cost savings over time. Mr. Poftak commented that the perspective is that this will build a foundational element for capital projects going forward. Chief of Capital Programs Jay Neider said the contract would result in a savings of twenty (20) percent on design costs on an annual basis, and the initial cost could be recouped within a few years. Chair Aiello added that with the technological advances developed since 1977, the contract will result in a certain cost saver.

Director Lang thanked everyone for their helpful input.

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

**VOTED: to authorize the General Manager or his designee to award and execute MBTA contract Z94PS11, for architectural and engineering consulting services for MBTA design standards and guidelines with ARUP USA, Inc, in an amount not to exceed \$10 million.**

<b>Chair Aiello</b>	<b>Yes</b>
<b>Vice Chair Tibbits-Nutt</b>	<b>Yes</b>
<b>Director Kornegay</b>	<b>Yes</b>
<b>Director Lang</b>	<b>Yes</b>

Chair Aiello thanked Mr. Stoothoff and his team for their important work.

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

**VOTED: to adjourn at 3:44 p.m.**

<b>Chair Aiello</b>	<b>Yes</b>
<b>Vice Chair Tibbits-Nutt</b>	<b>Yes</b>
<b>Director Lang</b>	<b>Yes</b>
<b>Director Kornegay</b>	<b>Yes</b>

Documents relied upon for this meeting:

- October 5, 2020 Agenda
- General Manager Update
- Safety Update
- FMCB Public Schedule
- Forging Ahead Update
- FY 21 Budget Update
- Forging Ahead: Capital Projects
- Electrical Procurement
- Architectural and Engineering Services Contract Z94PS11