



MINUTES

Meeting of the Fiscal and Management Control Board

December 7, 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 Tibbits-Nutt, Director Brian Lang, Director Chrystal Kornegay, and Director Tim Sullivan

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, Senior Project Manager in Capital Delivery Karl Eckstrom, Senior Project Manager of the Transit Program Steven Belanger, Chief of Red/Orange Line Transformation Maysoon Tawfik, Chief Safety Officer Ron Ester, Jr., Director of Security and Emergency Management Nick Boyd, Deputy Director of Policy and Strategic Planning Lynsey Heffernan, Chief Railroad Officer Ryan Coholan, Green Line Supervisor Alicia Gomes, Chief Customer Officer Danny Levy, Deputy Director of Administration Lisa Radosta, Director of Transportation Safety Kelly Chronley, Chief Financial Officer Mary Ann O'Hara, Deputy Director of Advertising Elizabeth Winters Ronaldson, Advisory Board Acting Executive Director Brian Kane, Assistant General Manager for Policy Laurel Paget-Seekins, Chief of Operations

Strategy, Policy & Oversight Kat Benesh, Director of Energy and Environment Andrew Brennan, 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 11:01 AM. He announced that the Board would enter into Executive Session and provide their opening comments after that point. General Manager Steve Poftak announced that he was recommending that the presentation of the initial round of potential service reductions be moved to the FMCB meeting on December 14 to give staff more time to work on reducing costs and in recognition of increasing optimism regarding a federal stimulus bill.

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

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

B. Executive Session

Chair Aiello began with the first item on the agenda, an executive session to discuss certain real estate matters and certain issues related to collective bargaining 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 and certain collective bargaining issues, the discussion of which during open session may have a detrimental effect on the negotiating position of the MBTA.

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

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 11:30 am at the earliest. The FMCB entered Executive Session at 11:10 am.

The FMCB returned from Executive Session at 1:01 PM. Chair Aiello noted that Director Sullivan would need to leave the meeting because of a conflicting engagement but that he would return when it concluded.

C. Public Comment

In accordance with the current public health emergency, public comment was taken through voicemail, email, and regular mail. Written public comments received will be distributed to the Directors as soon as practicable after the meeting. Chair Aiello reiterated the General Manager’s comments from the start of the meeting and commended Director Kornegay for recommending that the discussion be delayed by one week. Mr. Poftak reiterated his earlier comments on Forging Ahead and emphasized the importance of being able to respond to future increases in demand.

The Directors listened to public comments left via voicemail:

Mike Vartabedian of the Machinists Union commented on the budget update, stating that the MBTA should use every available resource to avoid cuts.

Jim Evers of the Boston Carmen’s Union said that service cuts are opposed by huge margins and argued they would increase crowding, make social distancing harder, and

increase traffic congestion.

Jim Hawkins, a State Representative from Attleboro expressed concerns about reinstating any services that may be cut and highlighted the importance of transit-oriented development to Attleboro.

Staci Rubin of the Conservation Law Foundation opposed permanent service cuts and claimed that cuts would affect transit critical populations, including people of color and transit-dependent people.

The South Shore Chamber of Commerce urged the FMCB to adopt a less severe forecast, arguing that current projections could allow for a less severe plan on service cuts.

Richard Prone of the MBTA Advisory Board discussed temporary cuts to the Plymouth line, stating that the service has been inadequate for years and efficiency must be improved.

Mary Kay Leonard asked the Board to extend ferry service.

A senior citizen from the Charlestown Navy Yard said the ferry service should be maintained as it is clean, safe, and popular with residents, workers, and tourists.

Cathy Elliott, a retired resident of the Navy Yard uses the ferry often and noted that many residents have gotten rid of their cars and rely on public transit.

Helena Hesse said she and her husband need the ferry for transportation to Boston and stated that medical professionals will wish to resume ferry service once a vaccine is rolled out.

Michael Christian asked that the Greenbush commuter rail service not be curtailed or eliminated, as he needs it to get to medical care in Boston.

Matt Birchfield of Socialist Alternative said that service cuts would be disastrous to working people, who would be forced to rely on ride sharing services if cuts are made.

Louise Baxter of the T Riders Union cited several reasons to oppose service cuts, arguing that it is important for societal cohesion and building community.

Marilyn McNabb said that MBTA paratransit vans do not always have the heating system turned on properly and discussed dispatcher issues that have resulted in rides being cancelled or redirected at the last moment.

There were no real-time commenters.

D. Approval of Minutes

The next item on the agenda was the approval of the minutes of the November 9, 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 November 9, 2020.

Chair Aiello	Yes
Vice-Chair Tibbits-Nutt	Yes
Director Lang	Yes
Director Kornegay	Yes
Director Sullivan	Abstained

E. Public Schedule

Hope Patterson provided an update on the public schedule, which now includes dates through February. General Manager Poftak noted that the service proposal will be presented to the FMCB next week. Chair Aiello noted that several topics have been diverted to January due to the density of this month's issues. Director Kornegay requested that the FMCB discuss fare transformation soon.

F. General Manager's Report

General Manager Steve Poftak provided the Report from the General Manager, Agenda Item F.

Director Kornegay thanked the General Manager for his work and asked him to confirm that the FMCB would not be asked to vote on entirely new proposals next week.

Mr. Poftak confirmed that the proposals would not be entirely new. He discussed active Covid-19 cases within the MBTA and noted that staff are working to mitigate workforce impacts. He provided an update on weekday ridership and closed by highlighting the career of motorperson Joe Lynch, who had just retired from the MBTA after 24 years as a Green Line operator.

G. Report from the Deputy General Manager

Deputy General Manager Jeff Gonneville presented an update on service and schedule changes and the winter plan. He said that staff are continuing to modify service in response to the pandemic, slightly extending peak headways on most rail lines and adjusting bus service based on ridership. He closed with an overview of this year's changes to the annual winter plan.

H. Proposed Construction Contract with Bond Civil & Utility Construction for Courthouse Station Leak Repairs

Senior Project Manager in Capital Delivery Karl Eckstrom provided an overview of a proposed construction contract with BOND Civil & Utility Construction related to repairs at Courthouse Station.

Hearing no questions concerning the presentation, Chairman Aiello asked for a motion on the proposed construction contract.

It was by roll call

VOTED:

That the General Manager be, and hereby is, authorized to execute, in the name of and on behalf of the Massachusetts Bay Transportation Authority (“MBTA”), and in a form approved by the General Counsel, a construction contract (No. X02CN04) with BOND Civil & Utility Construction, Inc., in connection with certain repairs at the Silver Line Courthouse Station, in an amount not to exceed \$26,921,663.05, said contractor being the lowest responsible and eligible bidder in response to a request for sealed proposals.

Chair Aiello	Yes
Vice-Chair Tibbits-Nutt	Yes
Director Lang	Yes
Director Kornegay	Yes
Director Sullivan	Absent for vote

I. Proposed Professional Services Contract with STV Inc. for Design Services Related to Quincy Bus Facility

Senior Project Manager in Capital Delivery Steve Belanger provided an overview of a proposed contract with STV Incorporated for certain design services related to the Quincy Bus Facility.

Hearing no questions concerning the presentation, Chairman Aiello asked for a motion on the proposed professional services contract.

It was by roll call

VOTED:

That the General Manager be, and hereby is, authorized to execute, in the name of and on behalf of the Massachusetts Bay Transportation Authority (“MBTA”), and in a form approved by the General Counsel, a professional services contract (No. R16PS01) for certain design phase, bid phase, and construction phase services with STV Incorporated in connection with Phases III through VI of the MBTA Quincy Bus Maintenance Facility project, in an amount not to exceed \$23,863,265.00.

Chair Aiello	Yes
Vice-Chair Tibbits-Nutt	Yes
Director Lang	Yes
Director Kornegay	Yes
Director Sullivan	Absent for vote

J. Proposed Amendment to Professional Services Contract with Weston & Sampson – Red/Orange Line Transformation

Chief of the Red/Orange Line Transformation Maysoon Tawfik discussed a proposed amendment to the professional service contract with Weston & Sampson.

Hearing no questions concerning the presentation, Chairman Aiello asked for a motion on the proposed amendment to the contract.

It was by roll call

VOTED:

That the General Manager be, and hereby is, authorized to execute, in the name of and on behalf of the Massachusetts Bay Transportation Authority (“MBTA”), and in a form approved by the General Counsel, Amendment No. 6 to MBTA Contract No. R19PS02 for certain Owner’s Representative services provided by Weston & Sampson Engineers, Inc. in connection with Red Line and Orange Line infrastructure improvements, in an amount not to exceed \$2,074,443.07.

Chair Aiello	Yes
Vice-Chair Tibbits-Nutt	Yes
Director Lang	Yes
Director Kornegay	Yes
Director Sullivan	Absent for vote

K. Safety Update

Chief Safety Officer Ron Ester presented an update on safety progress, beginning by reviewing the findings of last year’s safety review panel and discussing how staff have addressed those recommendations. He noted that the MBTA has hired subject area professionals to aid with certain concerns and that they are ramping up infrastructure and vehicle inspections. Director of Security and Emergency Management Nick Boyd provided an update on the internal Covid-19 response and adaptation planning. He reviewed the MBTA’s internal processes and discussed recent initiatives. Mr. Ester discussed Covid-19 impacts on safety initiatives. Director of Transportation Safety Kelly Chronley provided an update on the SMS implementation plan. Deputy Director of Policy and Strategic Planning Lynsey Heffernan discussed efforts to improve alignment across departments. Chief

Railroad Officer Ryan Coholan discussed the implementation of the commuter rail's sleep apnea program. Green Line Supervisor Alicia Gomes discussed the progress of the Green Line speeding program, which now provides real-time notifications to supervisors. Chief Customer Officer Danny Levy reviewed the status of ongoing employee communications. Deputy Director of Administration Lisa Radosta provided an update on TSTOP, the new internal digital communications platform available to all employees. Kelly Chronley returned to discuss improvements to the MBTA's safety hotline.

Director Lang said he appreciated the depth and breadth of work the department has done.

Vice-Chair Tibbits-Nutt said the team had completed a huge amount of work and are leading within the industry.

Director Kornegay said she appreciated the level of detail and hearing from many employees.

The General Manager commended specific employees.

L. FY21-22 Budget Update

Chief Financial Officer Mary Ann O'Hara presented the monthly Budget Update for Fiscal Years 2021 and 2022. She provided financial plan updates for various scenarios and stressed that staff are not asking for a decision on FY22 budget numbers yet.

Chair Aiello asked if the difference in revenues as between scenarios 3 and 2 is now smaller than when presented at earlier FMCB meetings. Ms. O'Hara said that this is due to smoothing over the starting point for FY22. The CFO stated that with a projected budget gap between \$577 and \$652 million, savings from service adjustments will need to total \$19 to \$85 million.

Director Kornegay asked where CARES Act funding is represented and whether it is contributing to the surplus. Ms. O'Hara said it is included in non-operating revenues and thus does contribute to the surplus.

Ms. O'Hara reviewed monthly fare revenue collections. Chair Aiello noted that fare revenue appeared to be flat through June and suggested that staff look into the issue.

Deputy Director of Advertising Elizabeth Winters Ronaldson continued the presentation with a discussion of the impact of Covid-19 on own source revenue. Chair Aiello asked that staff provide some updates on revenue initiatives so that the FMCB can optimize revenue and work out what commercialization will look like. Ms. Winters Ronaldson promised to provide an update.

Ms. O'Hara updated the FMCB on FY22 fare revenue planning and said that a preliminary budget submission would be prepared in March. Chair Aiello asked for an explanation of the small shift in VMT between two budget scenarios. Secretary Pollack said that MassDOT has been working closely with the MBTA on this and that they have purchased updates on the original scenarios from Moody's Analytics. She stated that the VMT projections are consistent and the discrepancy is due to a timing issue.

Ms. O'Hara discussed an analysis of fare revenue scenario planning. The Secretary noted that currently we are still running below scenario 3 and stressed that the scenario comparisons are a planning exercise.

Director Lang asked if the MBTA is projected to be \$75 million in the black even with 3% implementation risk. Ms. O'Hara said yes. Director Lang asked why we need to double down on the implementation risk. Secretary Pollack noted that these projections for scenario 2 assume \$94 million in service cuts to get to the projected ending balance of \$75 million. Secretary Pollack added that the numbers at the bottom of slide 16 will ultimately depend on

how the FMCB votes next week with respect to service levels. Director Kornegay asked whether, if members are interested in seeing a smaller potential projected ending balance, members would vote differently on service level cuts next week. Secretary Pollack agreed and said that the potential projected ending balance would be smaller because it would be paying for more service. Secretary Pollack clarified that staff is not suggesting that the MBTA leave money in the bank for FY22 and the potential projected ending balances will change once the FMCB makes decisions on service level planning. Director Lang said that this clarification was helpful and stated it is important to not plan to keep additional money on the table. General Manager Poftak asked Director Lang whether he believes Scenario 2 is preferred. Director Lang said that, based on what he has seen so far, his inclination is to take any ending balance and put it towards providing service.

Director Kornegay said, with respect to slide 16, she could live with somewhere between 3 and 5% implementation risk. The General Manager said the closer we get to the actual budget, the less risk the MBTA will have and better predictability. Secretary Pollack stated that the risk is currently 3% because these decisions usually are not made this early, and that when the FMCB votes on the FY22 budget we will have better information. Secretary Pollack said that staff are trying to save money now when ridership is low to better enable the MBTA to increase service levels when ridership returns. The Chair asked if it would be possible to reserve some of the \$75 million amount into a reserve for FY21 so that it is available to pay for increased service should demand for it increase at the back end of FY21. Secretary Pollack noted that it is easier to restart service in FY21 because of the two-year budgeting process and that the FMCB has the resources to do so in FY21, should it determine to do so, but if so, those funds will not be available in FY22.

Director Sullivan asked about the structural deficit in FY22. Secretary Pollack said it is important to call out non-recurring solves in the FY21 and FY22 budgets so the MBTA remains aware of the structural deficit. Director Kornegay asked Ms. O'Hara to identify the amount of funds from the CARES Act in the FY21 budget. Ms. O'Hara responded that it is \$605 million.

Ms. O'Hara reviewed the identified implementation risks. Chair Aiello noted that there will be a new set of data in February. Mr. Panagore said that the data being reviewed today is a snapshot of where the MBTA is today. Secretary Pollack reminded the FMCB that they are not taking a budget vote next week and but rather one concerning potential service levels. Ms. O'Hara ended by reviewing the timeline for upcoming decisions. Director Kornegay asked for more context on the budget next week.

M. MBTA Advisory Board Review of Forging Ahead

Acting Executive Director of the MBTA Advisory Board Brian Kane discussed the Advisory Board's review of Forging Ahead. Mr. Kane announced that the Advisory Board is recommending that the MBTA make no service cuts, arguing that the FY22 deficit is smaller than projected. The Advisory Board also recommended reducing rather than eliminating service, delaying rather than eliminating projects, trying to get Covid-19 costs reimbursed, working with the carmen's union and creating a Return to Service Commission.

N. Forging Ahead: Service Proposal Review

Assistant General Manager for Policy Laurel Paget-Seekins began a review of the Service Proposal by recapping the base service proposal and summarizing public feedback. Director Lang asked staff to complete the report for the board as soon as possible. Chief of Operations Strategy, Policy & Oversight Kat Benesh said that modifications to base service will be based on customer feedback and that staff will be prioritizing service packages to

revisit as part of the FY22 budget in the spring. The Secretary clarified that “base service” is what staff is proposing to deliver. Ms. Benesh noted that changes will be implemented in phases.

Chair Aiello asked if it would be possible to give the board some historic data on seasonally adjusted operations pre-Covid and how we dipped this year and what we are thinking service might look like in the last six months of the fiscal year. Mr. Poftak asked if the Chair wanted a graphic representation of the level of service to be provided. The Chair said he wanted some measurement of service, perhaps concerning hours of service and span. Ms. Benesh said that staff would see what they can come up with. She noted staff are currently reviewing public comments to determine implications for service and to discern trends from that feedback to apply across the system. Mr. Poftak noted that preservation of span and access are most important, even if not at current frequency. The Chair said he had heard similar feedback and said this focus will make our reactions better. Director Kornegay asked if staff will not be making any recommendations around diversion and frequency. Mr. Poftak said that while he would hesitate to make an absolute statement at this point, staff will emphasize access and span. Vice-Chair Tibbitts-Nutt agreed that people are willing to be flexible as long as they are not cut off from access entirely. The Secretary said that the public wants as much service going as possible, even if at a reduced level. Ms. Benesh said that this framework would be used to drive next week’s presentation and previewed next week’s presentation. Director Lang asked that staff send copies of this presentation and the budget deck to the board as soon as possible. The Secretary asked Ms. Benesh to clarify that they are proposing reducing ferry frequency, not eliminating the ferry. Ms. Benesh replied yes. Chair Aiello stated the importance of knowing how to deal with changes operationally.

O. Climate Resiliency Program Update

Senior Director of Energy & Environment Andrew Brennan provided an update on the climate resiliency program, beginning with a discussion of the development of resiliency strategy, then moving to a review of the status of vulnerability assessments and the organization process for implementation. He also noted that the MBTA website has been updated to feature climate change information more prominently. Chair Aiello asked if decarbonization would be part of the website. Mr. Brennan said that it will. He noted a few items in the program are still unfunded and recommended that staff migrate these items to the chief engineer so cost estimates can be developed. The Chair said he is concerned with making sure the financial requirements get into the CIP.

With no further items on the agenda, Chair Aiello asked for a motion to adjourn.

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

VOTED: to adjourn at 4:53 p.m.

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

Documents relied upon for this meeting:

- December 7, 2020 Agenda
- FMCB Public Schedule
- Report from the General Manager
- Report from the Deputy General Manager
- Construction Contract with BOND Civil & Utility Construction Inc. for Courthouse Station Leak Repairs
- Professional Services Contract with STV Incorporated for Quincy Bus Facility Design

- Amendment to Professional Services Contract with Weston & Sampson Engineers Inc. for Red & Orange Line
- Safety Progress Update
- FY21-22 Budget Update
- MBTA Advisory Board Review of Forging Ahead
- Forging Ahead – Service Proposal Review
- Climate Resiliency Program Update