

**Massachusetts Bay
Transportation Authority**

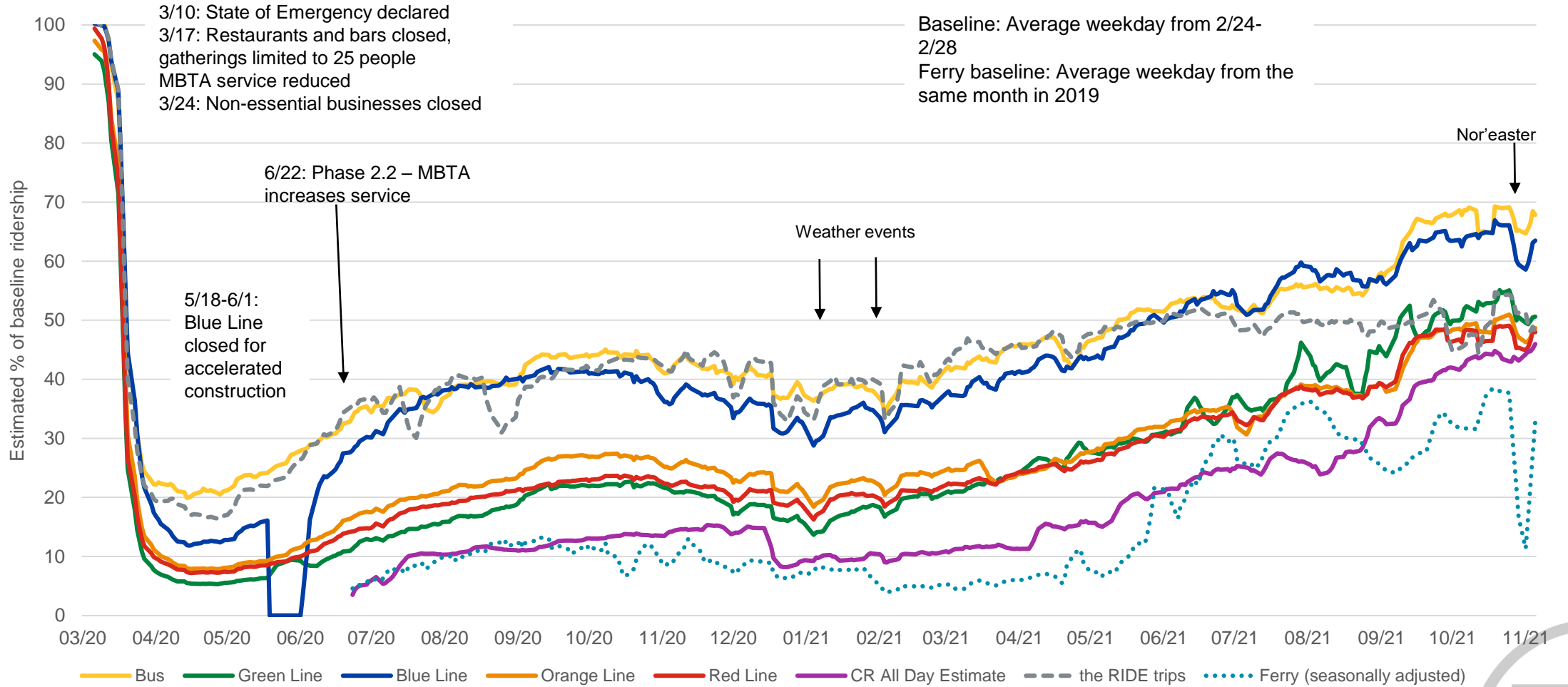
Report from the General Manager

MBTA Board of Directors
November 17, 2021

Ridership Update



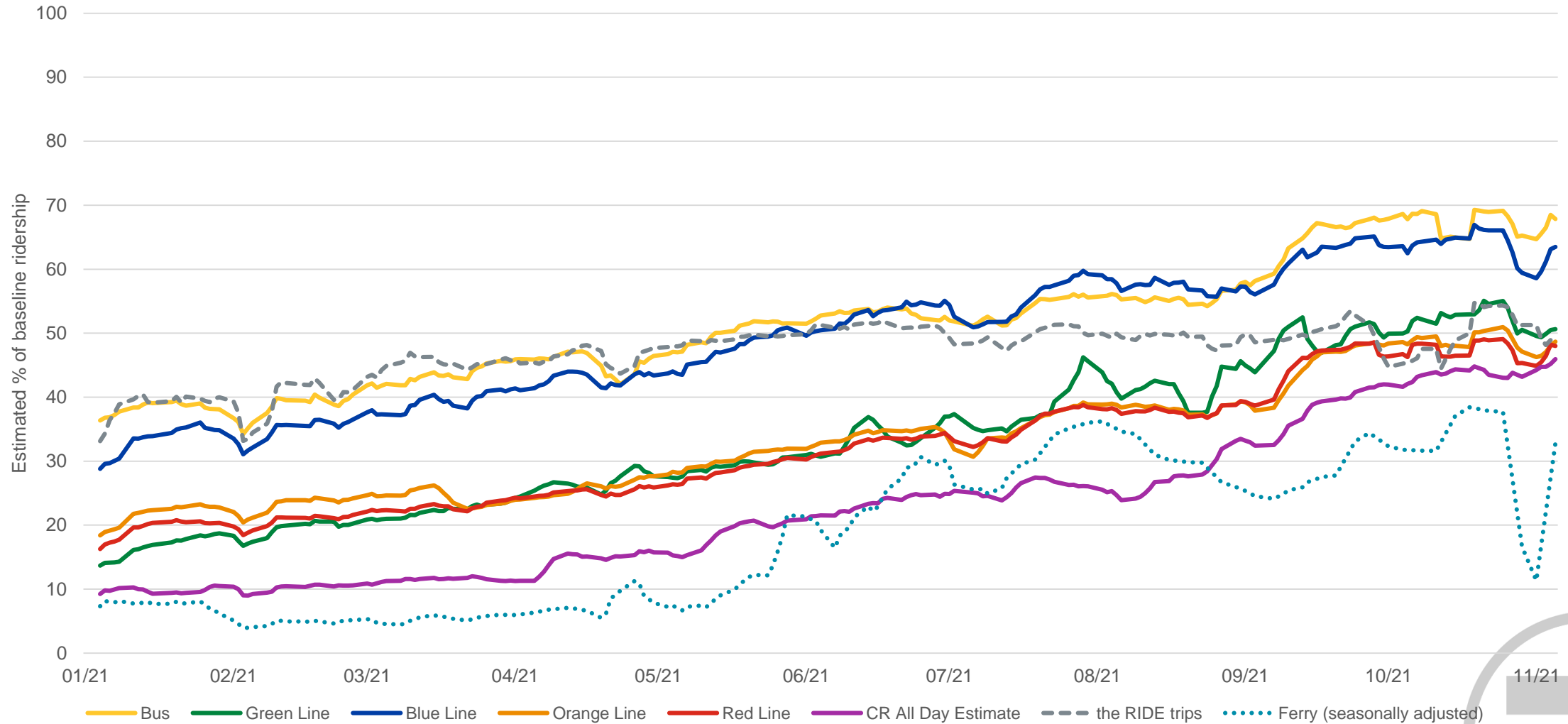
Weekday Ridership by Line and Mode - Indexed to Week of 2/24 (5-day Rolling Avg.)



Sources: Faregate counts for subway lines, APC for buses, manual counts for Commuter Rail, RIDE / Ferry vendor reports
 Notes: Recent data preliminary.



Weekday Ridership by Line and Mode Since 1/1/21 Indexed to Week of 2/24 – 5-Day Rolling Average

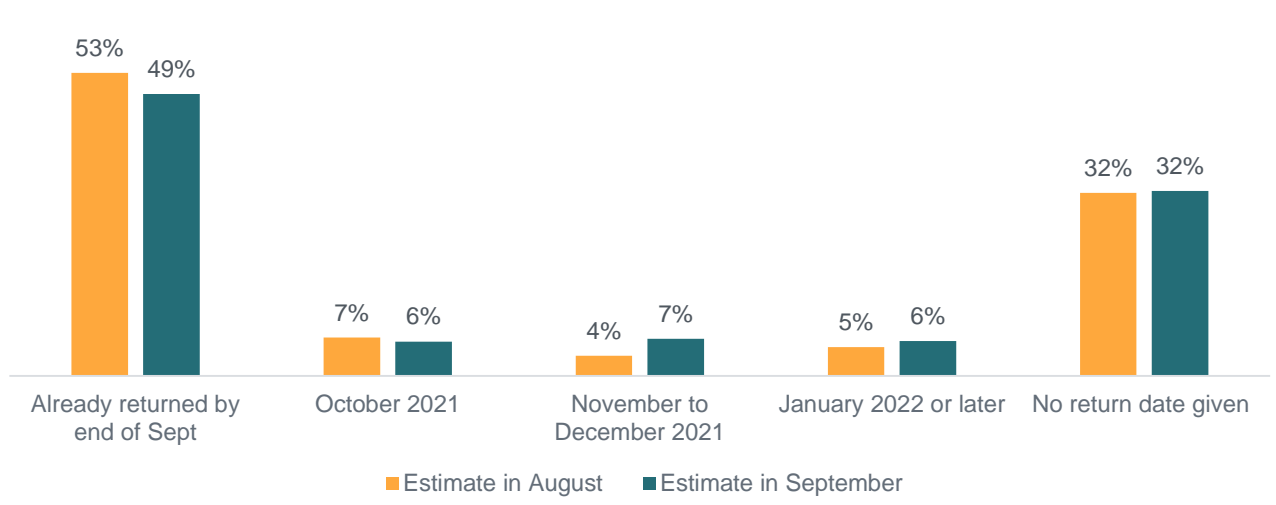


Return to Work Trends

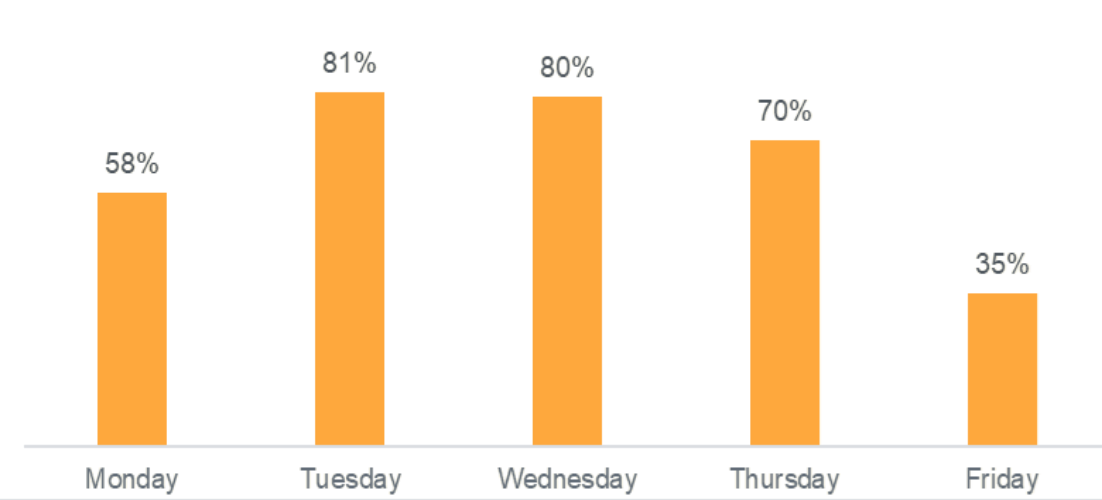


Return to Work: What Employers and Workers Are Saying

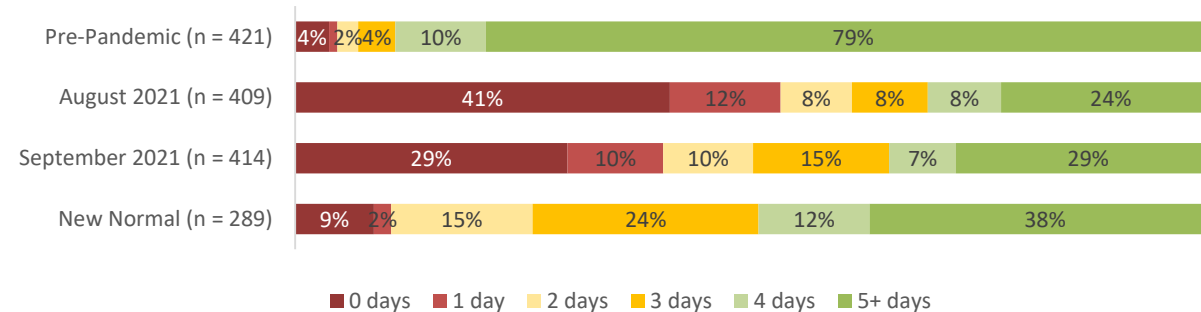
When has your employer told you that you will transition to a permanent on-site schedule for the New Normal?



Which days do you expect to commute to work on-site? (n = 149)

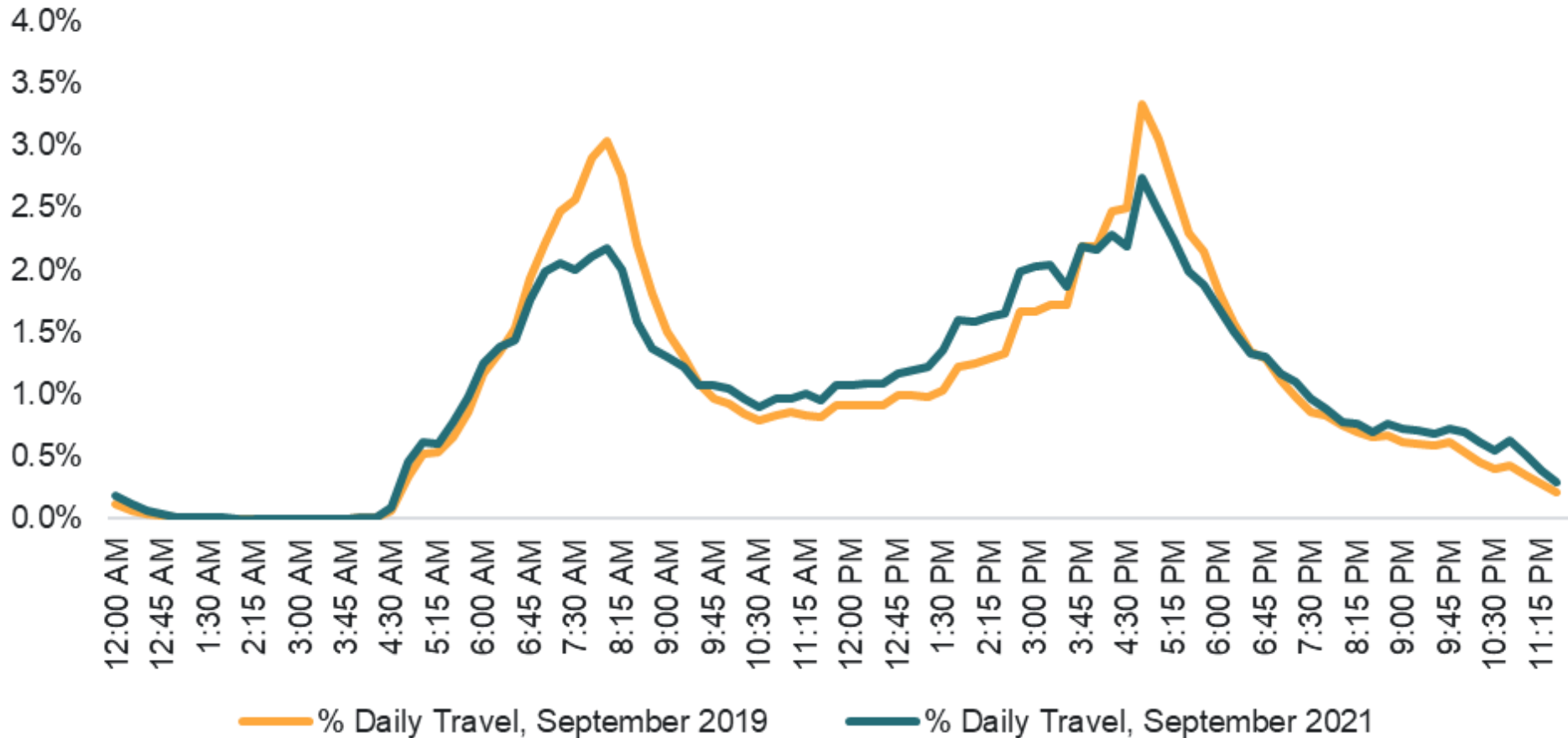


Commute Days per Week of Workers in Industries with a Higher Potential for Remote Work

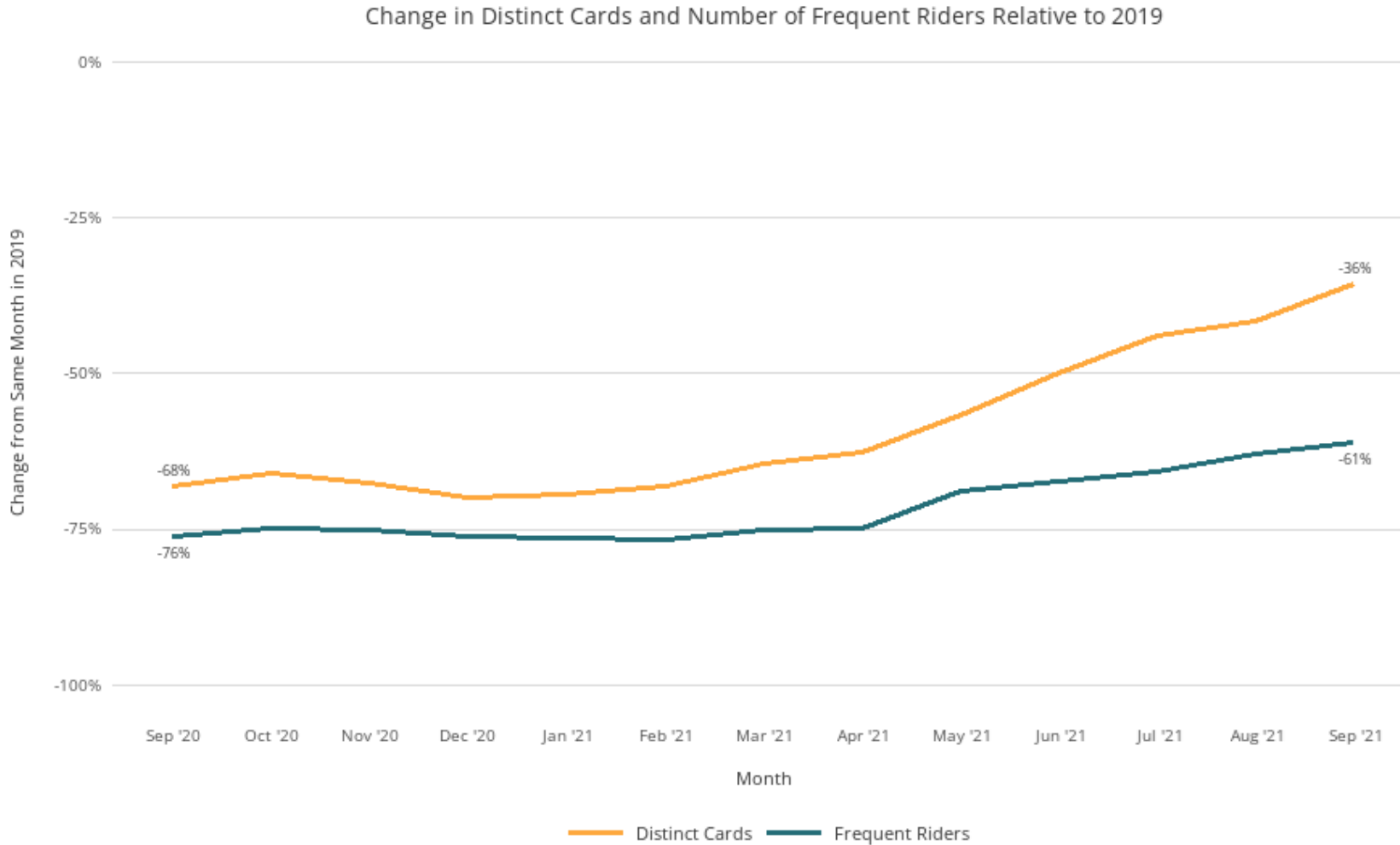


PM peak starting earlier as teleworkers return to work

Validations by 15 Minutes, Weekdays, Gated Stations, September 2021



Returning riders are making fewer trips



- The increase in distinct cards indicates new riders are returning
- Percentage of frequent riders increasing at a slower rate
- As these lines diverge, new riders are returning to the system but making relatively few trips.



Mandatory Vaccination Policy Update



Mandatory Vaccination Policy Update

- Over 94% of MBTA employees are in compliance with the MBTA vaccination policy:
 - 80% have attested to being vaccinated
 - 554, or 8.8% of the workforce, have requested exemptions
 - 13 active employees, or 0.21% of the workforce, are noncompliant (have not attested to being vaccinated and not requested an exemption)
 - About 350 employees, or 6.6% of the workforce, are in an inactive status.
- We are in the process of beginning the progressive discipline process for those who continue to be in noncompliance.
- At this time, there is no immediate impact to MBTA service, and we will continue to assess any potential effects as we go through the process.

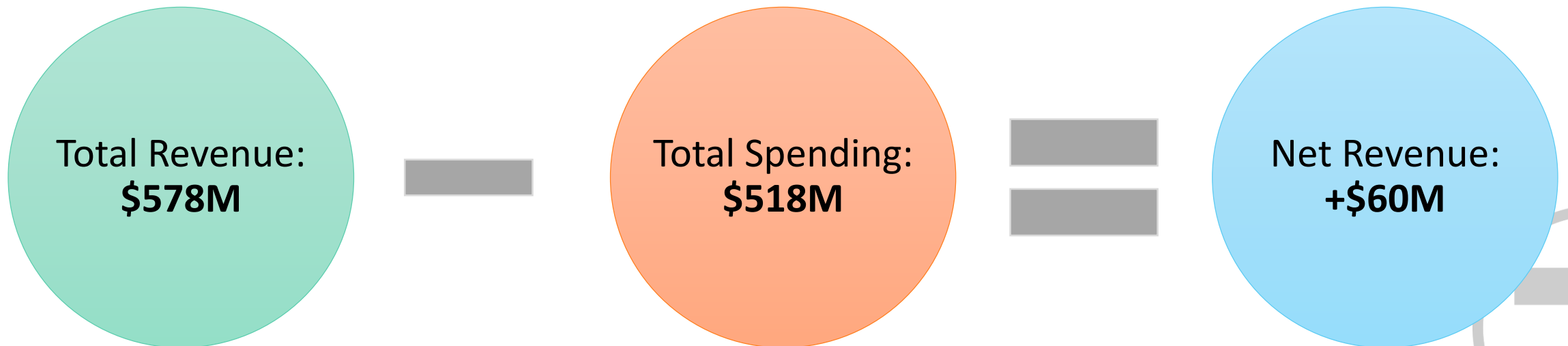


Operating Budget Update



FY22 Q1 Operating Budget Update

- Favorable operating budget results through Q1 as one-time federal relief revenues continue to support budget balance
 - \$60M in net revenue with assistance of \$65M in one-time federal relief reimbursement for service and operating expenses
- Positive net revenues add to Deficiency Fund balance, dedicated to mitigate the projected deficit in FY23 or FY24 and any other current or future obligations, per Board vote in June 2021



Operating Budget Summary

- Q1 net revenues were \$59.6M with \$577.8M in total revenues and \$518.2M in total expenses
 - Without one-time federal funding, the operating net revenue would be \$-5.4M for quarter
 - Fare revenue recovery ratio of 18% for the quarter, above the 9% for Q1 last year
- Positive net revenues for the quarter add to the Operating Budget Deficiency Fund balance instead of drawing it down as budgeted
 - Deficiency fund balance dedicated to mitigate the projected deficit in FY23 or FY24 and any other current or future obligations, per Board vote in June 2021

(\$M) Category	FY22 Q1 Budget	FY22 Q1 Actual	Quarterly Variance (\$)	Quarterly Variance (%)	FY21 Q1 Actual	\$ Variance (Relative to FY21 Q1)	%Variance (Relative to FY21 Q1)	FY22 Annual Budget
Fare Revenues	44.2	74.1	29.9	68%	38.3	35.9	94%	200.2
Own Source Revenue	8.3	11.9	3.6	43%	7.0	4.8	69%	45.5
Non-Operating Revenues	429.5	491.8	62.3	15%	521.4	(29.6)	-6%	1,774.6
Total Revenues	482.0	577.8	95.8	20%	566.7	11.1	2%	2,020.2
<i>Fare Recovery Ratio</i>	<i>10%</i>	<i>18%</i>	<i>9%</i>	<i>-</i>	<i>9%</i>	<i>9%</i>	<i>-</i>	<i>11%</i>
Wages, Benefits and Payroll Taxes	224.4	199.7	24.6	12%	198.5	1.2	1%	899.2
Non-Wage	237.0	207.5	29.5	14%	210.2	(2.8)	-1%	987.8
<i>Operating Expenses Subtotal</i>	<i>461.3</i>	<i>407.2</i>	<i>54.1</i>	<i>13%</i>	<i>408.7</i>	<i>(1.5)</i>	<i>0%</i>	<i>1,887.0</i>
Debt Service	111.3	110.9	0.4	0%	128.4	(17.5)	-14%	467.8
Total Expenses	572.6	518.2	54.5	11%	537.1	(19.0)	-4%	2,354.7
Net Revenues Before Transfers	(90.7)	59.6	150.3	252%	29.5	30.1	102%	(334.5)
<i>Federal Relief Revenue</i>	<i>58.8</i>	<i>65.0</i>	<i>6.2</i>	<i>10%</i>	<i>58.8</i>	<i>6.3</i>	<i>11%</i>	<i>269.5</i>
<i>Net Revenues Without Relief Revenue</i>	<i>(149.4)</i>	<i>(5.4)</i>	<i>144.0</i>	<i>-96%</i>	<i>(29.2)</i>	<i>(23.9)</i>	<i>82%</i>	<i>(604.0)</i>



Fare Revenue – FY22 Q1

- Fare revenue growth encouraging, but still more than \$100M below pre-pandemic levels for Q1
 - September fare revenue 46% of baseline, increased from 22% of baseline in January 2021
- Fare revenue recovery ratio shows that fares fund only 18% of all operating expenses
 - Greater reliance on subsidy (non-operating) revenue for balance, like one-time federal relief funds

Fare Revenue

**\$74M YTD in
FY22**

**41% (-\$105M) of
Q1 pre-pandemic
baseline**

Fare Revenue Recovery Ratio

18% in FY22 Q1

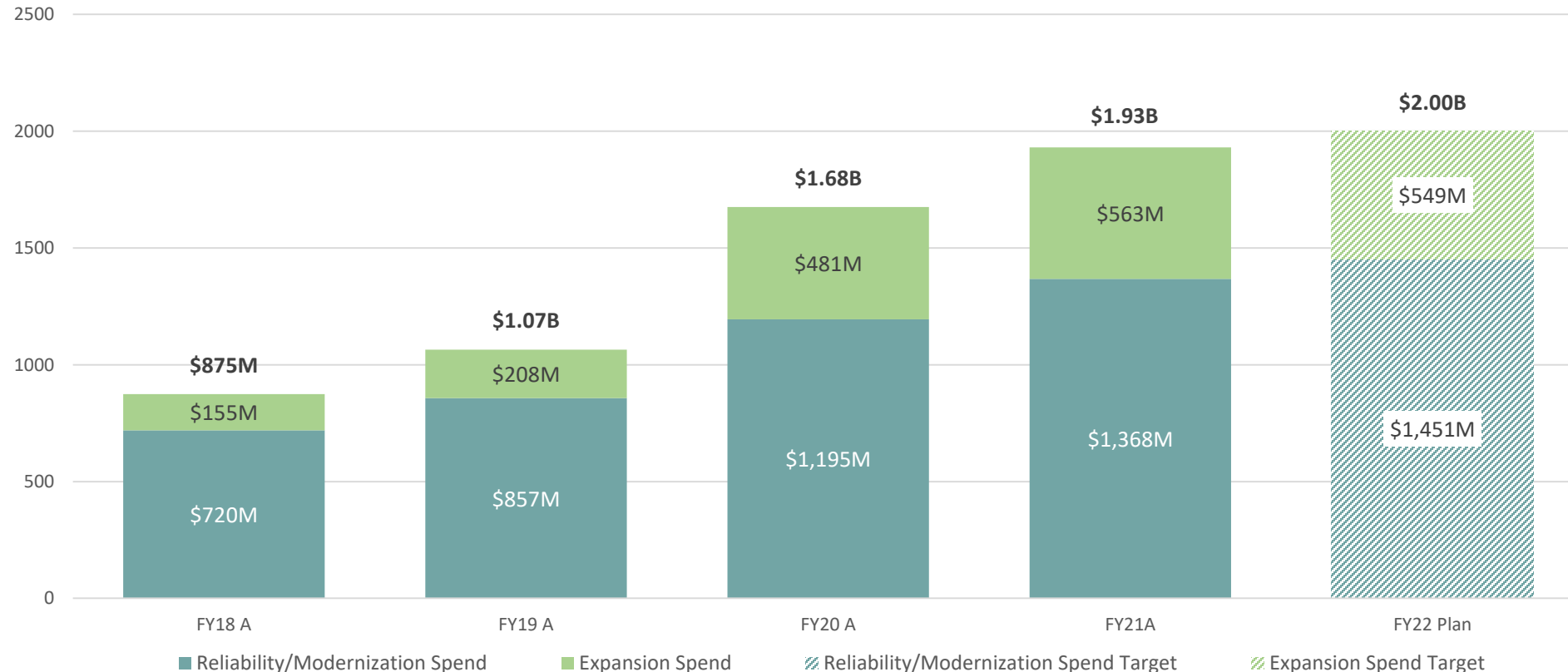
**47% in FY20 Q1
(pre-pandemic)**

Capital Budget Update



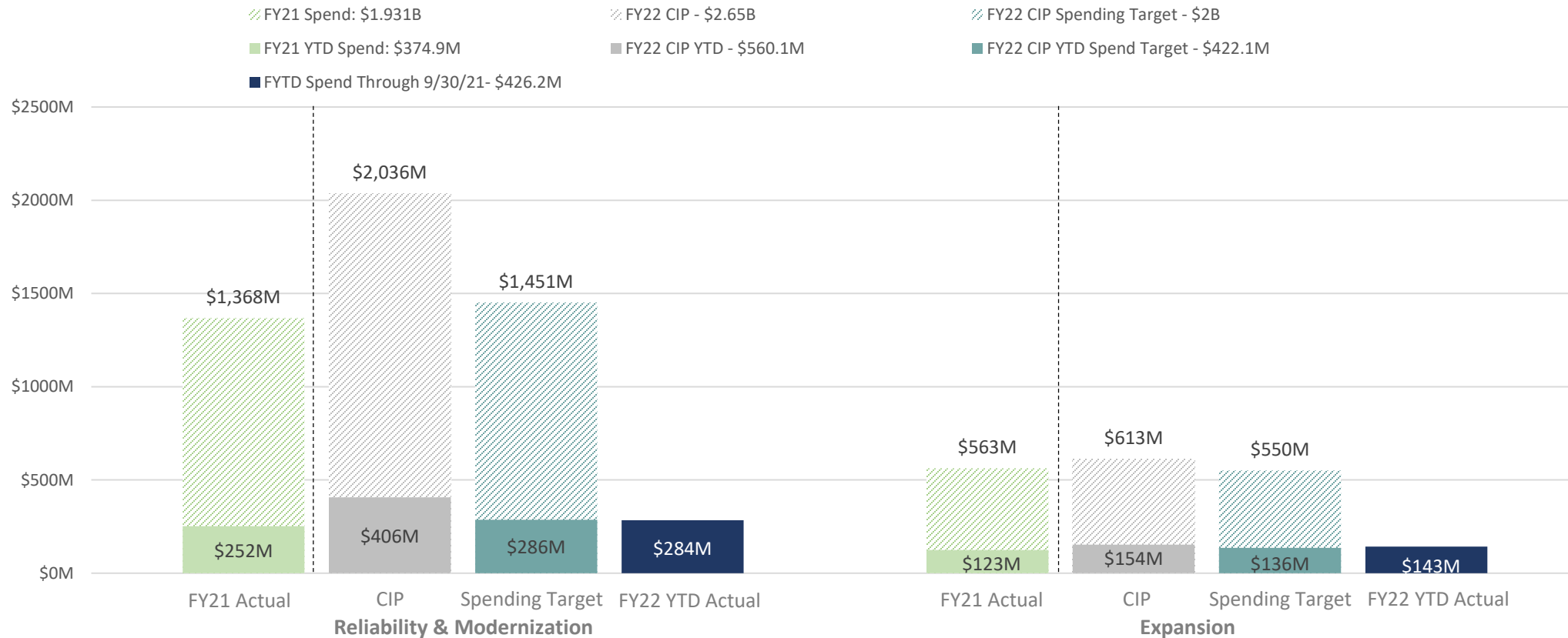
MBTA Capital Investment by Fiscal Year

- The MBTA spent a total of \$1.93B on capital investments in FY21, a year-over-year increase of \$255M or 15%
- FY21 Investment exceeded the FY21 target of \$1.75B by 10% and was 82% of the programmed CIP amount of \$2.36B
- The MBTA Spend Target for FY22 is \$2.0B
- YTD capital spend through September is \$426.2M; the MBTA is on track to achieve the FY22 \$2.0B Spend Target



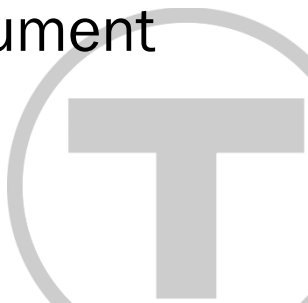
Capital Spending by CIP Priority

- YTD Reliability & Modernization spending totals **\$283.6M** and lags CIP YTD Spending Target of **\$285.9M** by \$2.3M or **0.8%**
- YTD spend for Expansion projects (GLX, SCR) totals **\$142.5M** and is ahead of CIP YTD Spending Target of **\$136M** by \$6.3M or **4.6%**
- The MBTA is on track to achieve **\$2.0B** Spend Target



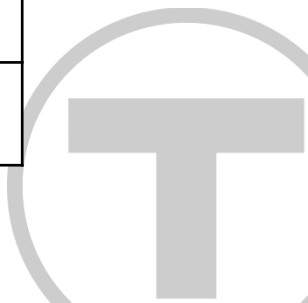
Goals of the FY23-27 MBTA CIP

- The FY23-27 CIP will be the first published five-year plan since the FY20-24 CIP, and the first since the COVID-19 pandemic began.
- The return of a five-year capital plan and emergence of new priorities after the COVID-19 emergency presents an opportunity to improve the MBTA CIP. Major goals include:
 1. Align the structure of the CIP with asset categories to strengthen development and tracking of asset-based investment strategies
 2. Accelerate the development schedule to release a stand-alone draft CIP in March 2022
 3. Improve public awareness of planned investments by holding a MBTA-specific public engagement process and publishing a standalone MBTA CIP document



FY23-27 CIP Process | Board Touchpoints

	Proposed MBTA Board Touch Points and Topics
NOVEMBER	Finance and Audit Subcommittee Meeting: Introduction to the CIP, preview upcoming touch points and approach MBTA Full Board: N/A
DECEMBER	Finance and Audit Subcommittee Meeting: N/A MBTA Full Board: N/A
JANUARY	Finance and Audit Subcommittee Meeting: Asset management performance measures and preliminary source estimates MBTA Full Board: N/A
FEBRUARY	Finance and Audit Subcommittee Meeting: FY23-27 initial program sizes and recap of existing programs/in-flight projects MBTA Full Board: N/A
MARCH	Finance and Audit Subcommittee Meeting: Present draft FY23-27 CIP and vote to release for public comment MBTA Full Board: Present the draft FY23-27 CIP and vote to release for public comment
APRIL	Finance and Audit Subcommittee Meeting: Initial results of public comment period and potential change to the draft FY23-27 CIP MBTA Full Board: N/A
MAY	Finance and Audit Subcommittee Meeting: Present the final FY23-27 CIP and vote for approval MBTA Full Board: Present the final FY23-27 CIP and vote for approval
JUNE	Finance and Audit Subcommittee Meeting: N/A MBTA Full Board: N/A



Chelsea Station



New Chelsea Commuter Rail Station Opened November 15



- New, multimodal station will connect the Newburyport/Rockport Commuter Rail Lines to the SL3.
- The new station features full high-level platforms for boarding, canopies and benches, new sidewalks, security cameras, passenger assistance telephones, lighting, and more.



New Green Line Stations





Working on an Accelerated Timeline

Construction Timeline

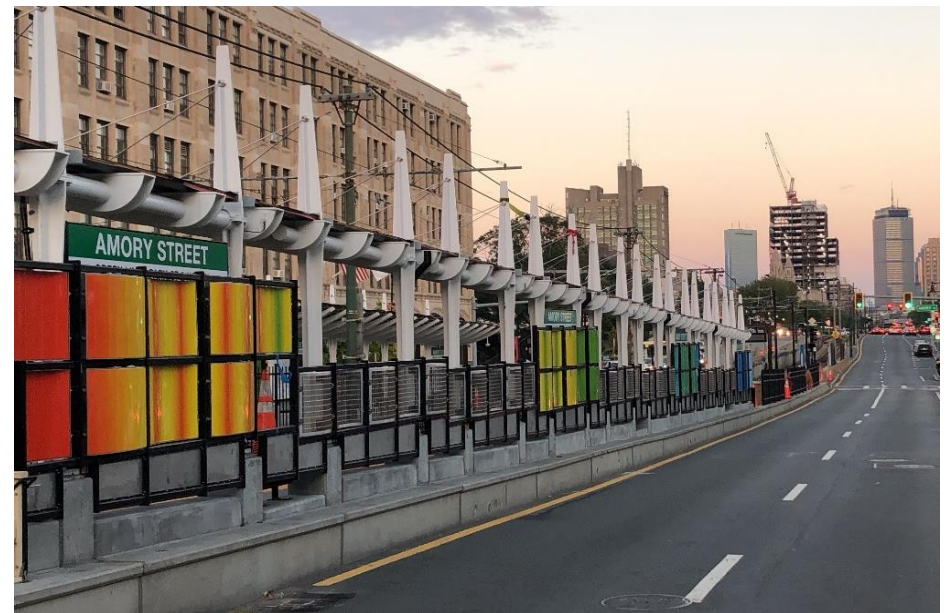


Two new **fully accessible stations** (Amory St & Babcock St) now open!

- **Accessible boarding** from raised platforms
- Canopies and enhanced **station lighting**
- **Faster B Branch travel times** from consolidating stations

GLT used a **7-week surge** to accelerate construction

- Significant savings (Nov 2021 vs Summer 2022)
- Leveraged to perform additional trackwork



- 5,000** Additional feet of track replaced
- 2** Intersections upgraded
- 2** Units of special trackwork replaced at Babcock St

New Fare Vending Machines



Fare Transformation – Upgraded Fare Vending Machines

Upgraded Fare Vending Machines have been installed in all Orange Line stations. Upgrades include:

- The ability to purchase or reload CharlieCards
- The introduction of the new tappable CharlieTicket
 - Tap and go at fare gates & fare boxes with the tappable symbol
 - Phase out of the insertable CharlieTicket during transition
- Contactless and mobile pay options
 - Contactless Debit/Credit Cards
 - Apple Pay, Google Pay, Samsung Pay

For more information, visit:

<https://www.mbta.com/fares/fare-transformation>

	Orange Line	Fall 2021 - Complete
	Blue Line	Winter 2021
	Red Line	Winter 2021
	Silver Line	Spring 2022
	Green Line	Spring 2022



Appendix



Baseline Weekday Ridership (2/24-2/28)

