



MINUTES

**Meeting of the Massachusetts Bay Transportation Authority
Board of Directors**

June 11, 2024, AT 9:00 A.M.

**10 Park Plaza, 2nd Floor Board Room, Suite 2890
Boston, MA 02116**

This meeting was broadcast virtually.

**BOARD MEMBERS
PARTICIPATING IN-
PERSON:**

Chair Tom Glynn, Director Robert Butler, Director Tom McGee, Director Chanda Smart

**BOARD MEMBERS
PARTICIPATING
REMOTELY:**

Director Eric Goodwine, Director Thomas Koch, Director Charlie Sisitsky, Director Mary Skelton Roberts, Secretary Monica Tibbits-Nutt

**Others Presenting and/or
Participating for Various
Portions of the Meeting:**

General Manager Phillip Eng, Deputy Chief of Staff Darrin McAuliffe, Director of Capital Program Planning Ryan Josti, Chief of Policy and Strategic Planning Lynsey Heffernan, MBTA Advisory Board Executive Director Brian Kane, Advisory Board Operating Budget Oversight Committee Chair Roy Epstein, Chief Financial Officer Mary Ann O'Hara

Others Present:

General Counsel Douglas McGarrah, Chief Counsel Kevin Scanlon, Counsel- Corporate Governance Noah Potash

1. Safety Briefing

Deputy Chief of Staff Darrin McAuliffe began with a safety briefing, pointing out the board room's safety features and exit routes.

OPEN OF MEETING/Call to order by the Chair

Chair Tom Glynn called the meeting of the Massachusetts Bay Transportation Authority ("MBTA") Board to order at 9:00 a.m. Noah Potash called the roll of the MBTA Board of Directors participating, being a quorum of the MBTA Board:

Chair Glynn

Yes

Director Butler	Yes
Director Goodwine	Yes
Director Koch	Yes
Director McGee	Yes
Director Sisitsky	Yes
Director Smart	Yes
Director Tibbitts-Nutt	Yes

ACTION ITEMS

2. Capital Investment Plan

Director of Capital Program Planning Ryan Josti presented the FY25-29 Capital Investment Plan (“CIP”) for Agenda Item 2, explaining how it aligns with the goals of the administration and the General Manager. He reviewed the timeline, then recapped public comment and staff analysis of public comment. Mr. Josti discussed the programmed spend by mode and program, then reviewed updates to the CIP since staff’s initial presentation, which include new funding, new projects, and adjustments to project budgets. He discussed \$26.6 million in additional funding from the Boston Region MPO.

Note: Director Skelton Roberts joined the meeting at approximately 9:06 a.m.

Mr. Josti turned to programmatic spotlights, noting that details were in the publicly available CIP book, and briefly reviewed improvements to passenger facilities and maintenance/administrative facilities, vehicle work, and guideway, signals, and power improvements. He discussed the significant unfunded needs of the MBTA, including the Arborway, Widett, Hynes, and Chinatown projects, stating that there is a total of over \$11 billion of unfunded work.

Chief of Policy and Strategic Planning Lynsey Hefferan discussed the annual capital need, explaining that it is impacted by the State of Good Repair index, available funding, and delivery capacity. Director Smart and Ms. Hefferan discussed

the available funding and unfunded projects for vehicles and structures. Director Skelton Roberts asked about what unfunded work the MBTA would have the capacity to accomplish with additional funding. Ms. Heffernan discussed work to build internal capacity and increase external capacity and cited projects like procurement of additional commuter rail coaches and the Arborway project, where lack of funding is the primary obstacle. Director Skelton Roberts noted that 64% of the MBTA's assets are out of a state of good repair and said that it was important to be clear with the public and the Legislature. Ms. Heffernan agreed and said there was a need for a dedicated funding source to achieve a state of good repair. Chair Glynn asked whether the MBTA had the capacity to make use of a 20% increase in funding and Ms. Heffernan said it absolutely did and discussed potential program areas that could benefit. Director McGee said the agency was falling behind on the state of good repair and modernization and asked what the dollar amount was to make progress. Ms. Heffernan agreed on the scope of the problem. Director McGee said that the return on investment had to be part of the discussion and that the dollar amount had to be identified so the agency could move forward. Director Smart asked about modernization and Ms. Heffernan discussed expansion funding, noting that nearly \$1 billion per year has been invested. Chair Glynn asked about the amount the Board would be voting to approve. Ms. Heffernan said it would be \$9.6 billion over five years. Chair Glynn asked about the appendix referenced in the vote language and Ms. Heffernan clarified that the appendix consisted of the combined CIP book and project list. Director McGee moved to add the total amount of the CIP to the vote language.

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

VOTED: To amend the vote language by inserting the total amount of programmed spend.

Chair Glynn	Yes
Director Butler	Yes
Director Goodwine	Yes
Director Koch	Yes
Director McGee	Yes
Director Skelton Roberts	Yes
Director Sisitsky	Yes
Director Smart	Yes
Director Tibbitts-Nutt	Yes

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

VOTED: To approve the Fiscal Year 2025-2029 Capital Investment Program (“CIP”), as presented at the June 11, 2024 meeting of the MBTA Board of Directors in the sum of \$9.6 billion and as attached hereto as Appendix A, and to authorize the General Manager, in the name of and on behalf of the Massachusetts Bay Transportation Authority, to take any steps he deems necessary and appropriate to provide notice to the Legislature and the public of the CIP, pursuant to M.G.L. c. 161A, §5.

Chair Glynn	Yes
Director Butler	Yes
Director Goodwine	Yes
Director Koch	Yes
Director McGee	Yes
Director Skelton Roberts	Yes
Director Sisitsky	Yes
Director Smart	Yes
Director Tibbitts-Nutt	Yes

3. Advisory Board Report on the FY25 Operating Budget

Executive Director of the Advisory Board Brian Kane began by requesting that the Board schedule its meeting to approve the budget earlier going forward. He said that the advisory board supports the work of MBTA staff and volunteers and will continue to ask hard questions, especially on the state of good repair, stating that the need is close to \$3 or 4 billion per year. Roy Epstein, Chair of the Advisory Board’s Operating Budget Oversight Committee, noted that the operating budget was balanced by a near total

drawdown of reserves and said that covering future gaps would require action at all levels of government. Mr. Epstein said that the report was not prescriptive but aimed to amplify the funding issue for the press, public, and legislature. He stressed the impact of the increase in headcount and said that it was critical to deal with the looming funding crisis in FY26. Chair Glynn said he appreciated the collaboration of the Advisory Board and asked about feedback they had received on their report. Mr. Epstein said that there had been some press attention, but continued action was needed and offered to approach legislators and the press. Director Smart asked about potentially releasing the MBTA's legacy debt. Mr. Kane said that legislative action would be required, either to provide contract assistance or to work with bond counsel to discharge the debt obligations. Chair Glynn explained that in the 1980s, the MBTA funded its operating budget, and the state funded the capital budget, under the theory that expansions such as extending the Red Line were economic decisions. He said that that had changed in the 1990s and noted that Big Dig legacy debt was related to transit projects required as part of mediation. Mr. Kane said that MBTA bonds were formerly essentially the same as state-issued bonds, but the MBTA was now responsible for all costs. Director Smart asked how the Board could help and Mr. Kane suggested that the Board request presentations on the issue. Chair Glynn noted that the task force was also discussing the issue. Director McGee said that there was essentially no dedicated revenue source before Forward Funding and Mr. Kane said that was basically the case. Director McGee said that other major transit agencies have a dedicated funding source for capital projects and Mr. Kane agreed, stating that the MBTA is basically the only major agency without such a source. Director McGee said that Forward Funding had anticipated that the sales tax would cover operating and capital

needs. Mr. Kane said that the sales tax was projected to cover those costs but did not perform. He said that something will need to change.

4. Final FY25 Budget

Chief Financial Officer Mary Ann O'Hara reviewed the forward funding sales tax performance and discussed how the projected funds could have been used. She then reviewed net revenue and explained that the structural budget deficit will be closed by using the deficiency fund. She added that efforts are underway to replenish the deficiency fund through cost savings. She then discussed the revenue summary and assumptions. Chair Glynn noted that the situation could improve depending on the final state budget. Ms. O'Hara agreed, then covered the spending summary, with an 11% increase compared to a 10% increase in revenue. She said the increase was driven by wages, contract services, and materials, and discussed the impact of the slow recovery of fare revenue. Chair Glynn asked why fare revenue is plateauing and General Manager Phil Eng said that factors included changing travel patterns and work diversions with free fares. He said that once significant diversions are completed and the frequency and reliability of service increase, staff will have a better understanding of the fare revenue situation. Director Smart, Chair Glynn, and Mr. Eng discussed why ridership numbers are impacted by free fares related to diversions. Ms. O'Hara noted that if fare revenue outperforms the budget, the Board will be presented with those results. She then reviewed headcount projections, noting that 443 new positions are budgeted for FY25. Chair Glynn noted that higher staffing levels are partially driven by the FTA's requirements. Ms. O'Hara reviewed expense growth year-over-year, noting that it is driven by collective bargaining agreements and hiring. She then discussed work to achieve the \$93 million

savings target. Director Goodwine asked that staff follow up with the A&F subcommittee on whether other public transit systems generate significant revenue from sources unrelated to transportation. Ms. O'Hara said that staff would provide an update.

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

IT IS VOTED: To approve the Authority's itemized budget of current operating expenses and debt service costs, for a one-year period from July 1, 2024 through June 30, 2025, in the amount of \$3,021,257,950, as presented June 11, 2024; and That the General Manager is hereby authorized and directed to submit the approved itemized budget, in the name and on behalf of the Authority, to the MBTA Advisory Board no later than June 15, 2024 in accordance with Section 20 of Chapter 161A of the Massachusetts General Laws.

Chair Glynn	Yes
Director Butler	Yes
Director Goodwine	Yes
Director Koch	Yes
Director McGee	Yes
Director Skelton Roberts	Yes
Director Sisitsky	Yes
Director Smart	Yes
Director Tibbitts-Nutt	Yes

Note: Secretary Tibbitts-Nutt left the meeting at approximately 10:09 a.m.

ADJOURNMENT

Director McGee discussed the importance of hiring to carry out the needed work and emphasized that past studies had shown that a \$2 billion MBTA budget created about \$12 billion in economic opportunities. With no further items on the agenda, Chair Glynn requested a motion to adjourn.

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

VOTED:

To adjourn at 10:11 a.m.

Chair Glynn	Yes
Director Butler	Yes
Director Goodwine	Yes
Director Koch	Yes
Director McGee	Yes
Director Skelton Roberts	Yes
Director Sisitsky	Yes
Director Smart	Yes

Documents relied upon for this meeting:

- June 11, 2024 Agenda
- MBTA June Presentation
- FY25-29 CIP - June Board - Full Board as of 2024-06-06
- FY25-29 MBTA CIP Book_Project List
- FY25-29 Station Projects for June AF Board
- FY25-29 Unfunded Project List_Large
- FY25MBTAOpsBud-FINAL(06-06-24)
- FY25 Final Budget 6.11.24