



Charles D. Baker, Governor
Karyn E. Polito, Lieutenant Governor
Stephanie Pollack, MassDOT Secretary & CEO
Frank DePaola, General Manager
Brian Shortsleeve, Chief Administrator



Fiscal and Management Control Board

April 13, 2016
UMass Boston, Campus Center
Alumni Lounge
Boston, MA

MEETING

Members: Chairman Joseph Aiello, Director Lisa Calise, Director Brian Lang, Director Steven Poftak, and Director Monica Tibbits-Nutt

Present: Chairman Joseph Aiello, Director Brian Lang, Director Steven Poftak

Quorum Present: Yes

Others Present: Secretary Stephanie Pollack, Frank DePaola, Brian Shortsleeve, John Englander

PROCEEDINGS:

At the call of the Chair, a meeting of the Fiscal and Management Control Board was called to order at 9:05 a.m. at UMass Boston in the Campus Center's Alumni Lounge, Boston, Massachusetts.

Director Lisa Calise participated by phone.

Chairman Aiello announced there would be no public comment period and explained to the two members of the public, Nicole Badstuber from the University College of London and Michael Benouaich from KPMG, that the purpose of this meeting was for the Board to have an initial discussion of the need for a strategic plan. The following staff was in attendance to participate in the discussion: Jeff

Gonneville, Mike Abramo, Jody Ray, Kate Fichter, Faye Boardman, Jerry Polcari, Jessie Saintcyr, Scott Hamway, Laurel Paget-Seekins and Jane O'Hern.

Chairman Aiello introduced Ed Lambert, Vice Chancellor of Government Relations and Public Affairs at UMass, who gave welcoming remarks on behalf of Chancellor Keith Motley.

Next the Chair asked the Board to think about where they wanted to be in five, 10 and 20 years from now and why the MBTA needed a strategic plan. Director Poftak said it was an important part of putting the T back on track and needed to determine what the structure and what staff was needed. Directors Lang and Calise agreed with Chair Aiello and Director Poftak and said the Board needed to outline what the T should focus on long term.

The Chair asked General Manager Frank DePaola to begin the discussion and the GM said a measure of success to him was an increase in ridership. To increase ridership more trains would have to be added which would attract more riders. His desire was to have more seats on the Red and Orange lines which would bring in more revenue. In the past the T had invested in expanding the commuter rail which hadn't increased ridership. One billion dollars was spent to move 60,000 passengers a day whereas the Red and Orange lines moved 280,000 passengers a day. Signal reliability and switch communications were also challenges for those lines, but the infrastructure was so important that investments were needed to shorten headways and enhance service.

Director Poftak that ridership should be one of the objectives with the goals being: increase OTP, decrease headway, improve signal technology and increase parking.

Chairman Aiello asked if there was a document available that tied in investment strategy with operations for the next 15 years. Jeff Gonneville said that Scott Hamway in Planning was working on a long-term vision called Focus 40, but for today, Mr. Gonneville's priority was the resiliency and stabilization of the system; the work on the future 15-year plan should be started this year. Mr. Hamway said next month would be the launch of the state of infrastructure plan which would outline how the region was growing and changing, and would reflect new challenges such as climate change, mode shifts, bike share, Uber, and the RIDE. Mr. Hamway said another important area for improvement was bus reliability which would increase ridership and improve service.

Another objective for the GM was how to increase capacity on the Green Line? Mr. Gonneville said the Green Line was at capacity and he would be giving the 'state of the Green Line' presentation at the next FMCB meeting. He said the Green Line would need significant investment and many upgrades to the system, and the Board had to understand the long-term needs and remedies.

Chief Administrator Brian Shortsleeve said the framework of the strategic plan should be: run the service, finance the service and design/build the service to be best in class. Mr. Shortsleeve said the one thing within reach to achieve that was a Marshall Plan for the Red and Orange lines.

The GM gave an example of strategic decisions to be made: on the Red Line in Braintree there was an issue with signals as part of resilient operations. The T had been trying to run fiber optic cable to Braintree and even though it was not a big investment it would help with signal reliability. Also, power in vehicles was a big issue that needed to be dealt with.

The Chair asked the GM to think about where the T would be in 10, 15 and 20 years and to articulate performance metrics on every line. The Chair asked the GM to identify specific resources needed and to come back to the Board with some numbers. Mr. Gonneville said that although his focus was on stabilizing the system now, he agreed that he had to give the Board information so they could make informed decisions.

Director Poftak said the Board also needed feedback from staff on design/build too, and not just from Operations.

Director Lang said the Board needed to balance the Red and Orange lines with the growth of the Seaport and other services. He said there would be an enormous challenge to get more bus service to transport lower paid workers like hotel and service workers to that area.

Director Poftak said another measure was to create/sustain resiliency throughout the system and the need to identify outside dependencies such as Tower A at South Station, Columbia Junction, phone lines and tunnel leaks.

Next, Chair Aiello asked Jody Ray, Assistant General Manager for Railroad Operations to list his priorities. Mr. Ray stated the needs for railroad operations:

- Services shouldn't compete with one another (example: Old Colony and Hingham ferry, Malden Station has Orange Line and CR service);
- AFC 2.0 would have a huge impact on the CR by getting cash off the trains;
- Revenue increases: because there are not enough seats on the CR the T was not encouraging growth, more people stood because the middle seats are not used;
- Change gear ratio? The locomotives are geared for over 100 mph, trains run at 40 mph. If gear ratio was changed would the T sacrifice fuel economy?
- Projects not completed: (example Manchester-By-The-Sea signal system);
- Who should run the CR system? RI has a private corporation running their system. Mr. Ray said the question was how to get the most done for the least amount of money; and
- CR contract: Keolis has six more years in their contract.

It was discussed that a dialogue with Keolis was needed to share ideas the and the T needed to think about DMU's.

Secretary Pollack arrived at 10:35am.

Chair Aiello called a recess from 10:40am to 10:55am.

The Chair welcomed the Secretary who said she worked on a strategic session at MassPort when she was a consultant. The first responsibility was operational, second was discussing objectives and a strategic direction, and third was to be clear with staff and outside stakeholders as to what the board wanted.

Next, Chair Aiello asked Jessie Saintcyr, Assistant Secretary for Human Resources to list her priorities. Ms. Saintcyr listed the following for Board members to think about:

- Did we have the appropriate staff to design a staffing plan?
- Was our compensation package attractive enough to attract talent?
- What was the present value of the pension and 401K plan?
- We needed to have flexibility with skill sets;
- Over 60% of the workforce would be eligible to retire this year; and a succession plan was needed to invest in management; could we attract talent based on our public image?
- We needed to do a better job at leveraging outside folks; and
- Is the T proactive with union strategy?

Director Lang said we needed to create a different culture based on pride and ownership and to strive for a new relationship with the unions. He said the MBTA historically had not had a partnership with unions and that we should

create strategies that were not so adversarial, and to seek out advice where there had been a level of success.

Ms. Saintcyr said by having a cross-functional job, we could partner with the unions to create developmental strategies, and the T needed to invest and value its employees.

Jerry Polcari, the Chief Procurement Officer said there was a cultural problem at the T, new employees versus old employees.

Ms. Saintcyr said the way to change the culture was by rewarding, i.e. compensation and flexibility in the work schedule.

Chairman Aiello said it would be worth taking a look at some strategic plans and asked Chris Ciampa to get copies to the members of plans done by MassPort, WMARTA and BART.

Chair Aiello noted that if anyone had any comments or concerns, they could send them anonymously to John Englander, and Secretary Pollack offered to have an anonymous mailbox set-up if needed.

Ms. Saintcyr said there needed to be consistent and centralized IT systems with the HR infrastructure, and Mike Abramo, acting CFO said he was working with Gary Foster, the CIO on a plan.

Secretary Pollack said that we are in the service business, not the product business. We worked on budgets and capital plans but no fundamental service plan. She stressed we needed to think more strategically about the service that was currently provide.

Chair Aiello said we needed to have a consensus of what the plan should look like: vision, mission and values.

After motion duly made and seconded,

By roll call:

Chair Aiello	yes
Director Poftak	yes
Director Calise	yes (by phone)
Director Lang	yes

VOTED: to enter into Executive Session at 11:40 a.m. to discuss strategy related to non-union personnel.