



**Massachusetts Bay
Transportation Authority**

GM Remarks

Fiscal and Management Control Board

June 26, 2017



FMCB goal:
Operating budget sustainability

Under Section 203 of Chapter 46 of the Acts of 2015, the FMCB may:

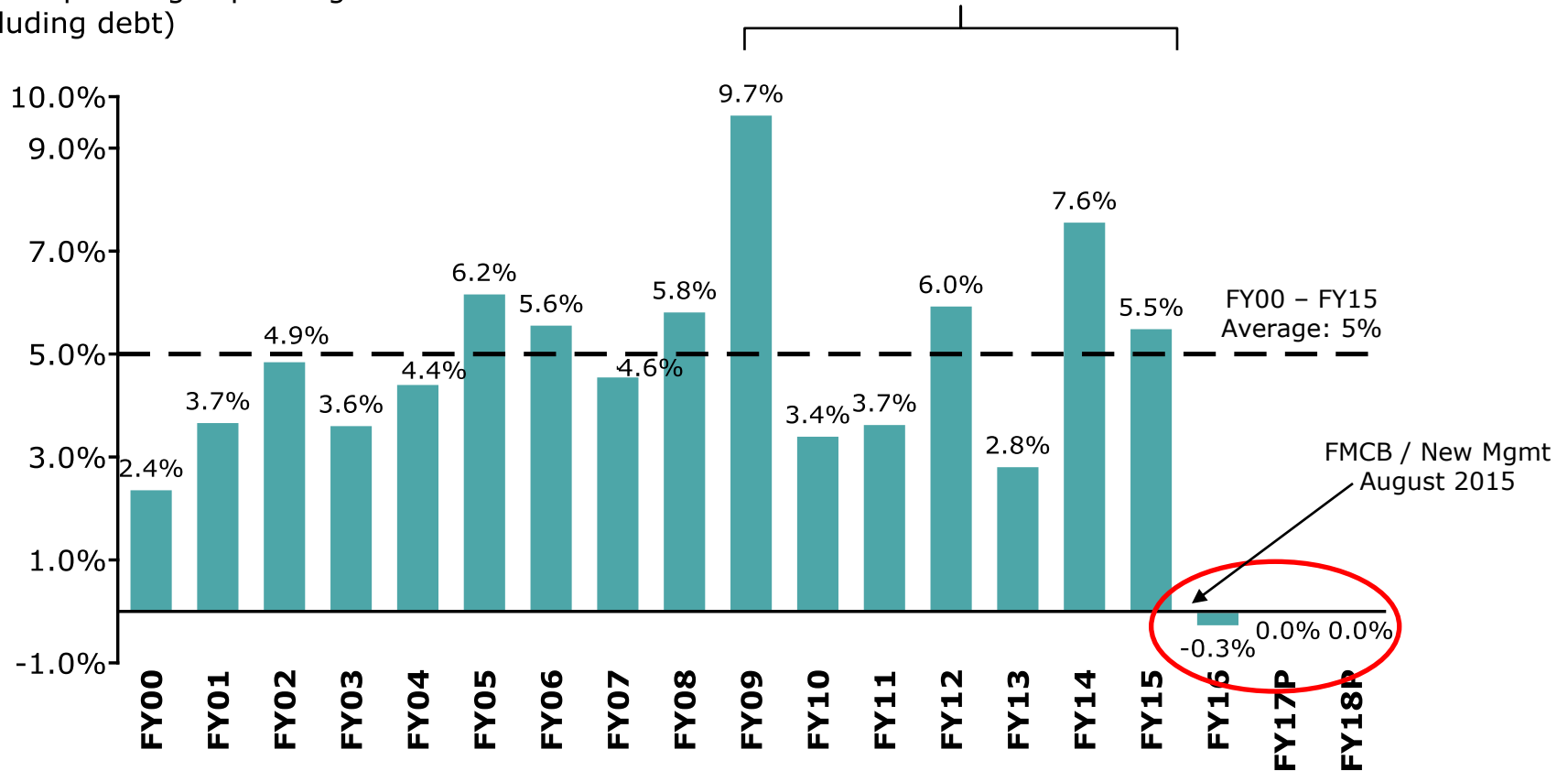
"Establish 1- and 5-year operating budgets, beginning in fiscal year 2017, which are balanced primarily through a combination of internal cost controls and increased own-source revenues"



Since FMCB, operating expense growth lowest in 15 years

Annual operating expense growth rate
(excluding debt)

Incremental operating expense FY08 – FY15: \$470M

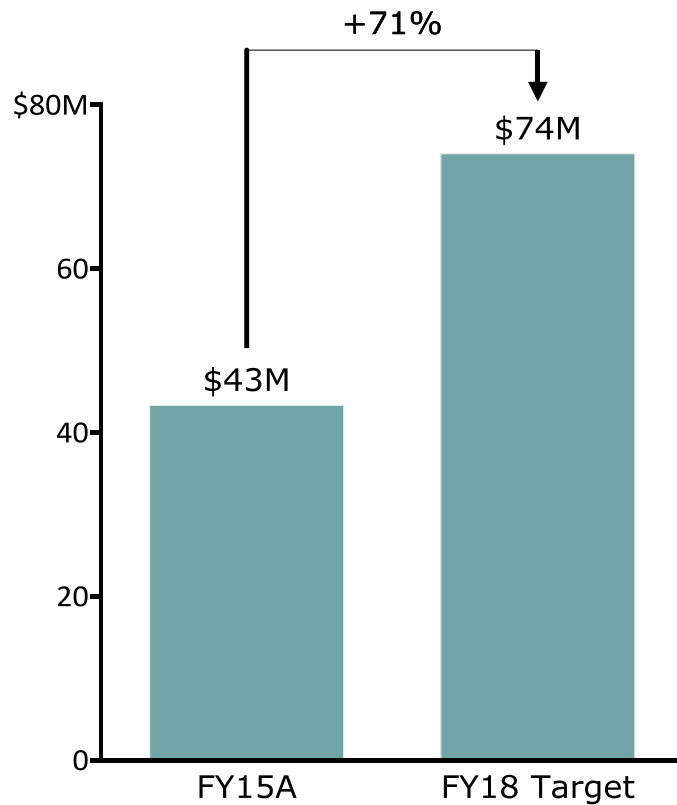


Note: For comparative purposes, FY17 core operating expenses exclude new Amtrak/PRIAA expenses and capital employees transferred in FY17. Energy costs forecast to be \$8M less in FY17 than in FY16



Since FMCB, own-source revenue up 70%

MBTA Own-Source Revenue



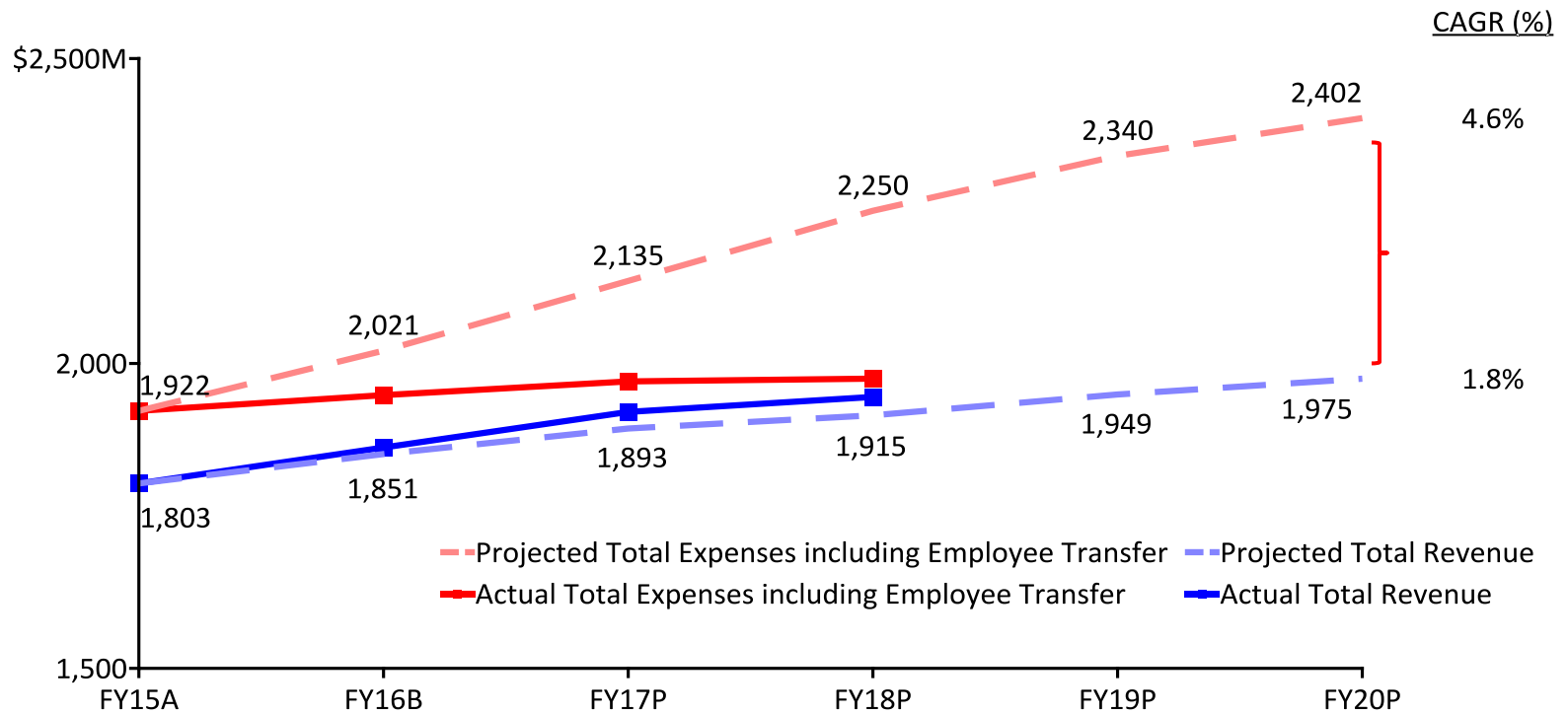
Competitive rebid process drove best value for MBTA





Cost control puts MBTA on track for Forward Funding goal: Dedicated revenues cover operating expenses

STATUS QUO FY17:20 PRO FORMA
August 2015



Structural Deficit Includes Debt Service **-\$119M** **-\$170M** **-\$242M** **-\$335M** **-\$391M** **-\$427M**

Note: Structural deficit includes debt service and transferred capital employees annual expense, does not include Additional Assistance



FMCB Goal: Accelerate capital delivery

MBTA Capital Spending
(SGR only, not including expansion projects)

