**Fiscal and Management Control Board**

**Transportation Board Room**

10 Park Plaza

May 21, 2018

12:00 noon

***MEETING MINUTES***

**Present:** Chair Joseph Aiello, Director Steven Poftak, Director Brian Lang (arrived at 12:07 p.m.) and Director Brian Shortsleeve

**Quorum Presen**t: Yes

**Others Present:** Luis Ramirez, Jeffrey Gonneville, Marie Breen, Owen Kane, Mike Abramo, Laurel Paget-Seekins, Nathan Peyton, Paul Brandley, Jess Casey, David Block-Schachter, David Sikorski, David Scorey, Evan Rowe, Jamey Tesler and Dan Grabauskas

**PROCEEDINGS:**

At the call of Chair Aiello, a meeting of the Fiscal and Management Control Board was called to order at 12:04 p.m. at the State Transportation Building, Transportation Board Room, 10 Park Plaza, Boston, Massachusetts.

The Chair opened up the public comment session.

The first speaker was Tim Long from IBEW 103 who commented on AFC 2.0 and South Station Air Rights.

Next, Andrew McFarland from Livable Street commented on AFC 2.0 and Commuter Rail Zones.

Next, Rani Jacobson spoke on behalf of City Councilor Michelle Wu concerning AFC 2.0 fare inequity.

Next, Lee Matsueda and Louise Baxter from TRU commented on AFC 2.0 and the Better Bus Project (written testimony also submitted to the Board).

Next, Mela Miles of the Fairmount Indigo Transit Coalition commented on the AFC 2.0 outreach plan.

The last speaker, Carl Seglem commented on the AFC 2.0 outreach plan and bus reliability.

Next was the approval of the minutes of the May 7, 2018 meeting.

On motion duly made and seconded, it was:

**VOTED: to approve the minutes of May 7, 2018.**

Next, Chair Aiello called upon General Manager Luis Ramirez to present Agenda Item D, the General Manager’s report. Mr. Ramirez updated the Board on the Orange Line pilot vehicles and provided an overview on bus improvement efforts, as set forth in the attached document labeled, “General Manager’s Remarks, May 21, 2018.” Jess Casey, Deputy Chief Operating Officer of Service Planning and Strategy contributed to the presentation and discussed the Better Bus Service Project and Network Redesign. Discussion ensued.

Chair Aiello along with Director Poftak expressed concerns about having enough internal resources and staffing to accommodate the network redesign.

Next, Chair Aiello called upon Nathan Peyton, MassDOT’s Deputy Chief of Staff to present Agenda Item E, the FMCB Public Schedule. Mr. Peyton reviewed upcoming agenda items with the Board, as set forth in the attached document labeled, “FMCB Public Schedule, May 21, 2018.” Discussion ensued.

Next, Chair Aiello called Executive Director of Commuter Rail, Dan Grabauskas to present Agenda Item F, an update on Commuter Rail Performance. Mr. Grabauskas provided the Board with updates on equipment availability and on-time performance. Mr. Grabauskas continued with on-time performance on the Worcester and Haverhill lines, summer resiliency and HVAC maintenance. He concluded with an overview of the May 2018 schedule changes, Earth Month and MBTA Commuter Rail App enhancements, as set forth in the attached document labeled “Commuter Rail Update, May 21, 2018.” Discussion ensued. General Manager Ramirez and CEO and General Manager of Keolis David Scorey contributed to the presentation.

Next, Vice Chair Poftak called upon Evan Rowe, Director of Revenue to present Agenda Item G, a discussion on Commuter Rail Summer Promotions. The General Manager began the presentation by announcing the promotion would be public for the upcoming Memorial Day weekend, and asked Mr. Rowe to provide an overview the program.

 Mr. Rowe noted that weekend ridership still remained a fraction of the Commuter Rail service’s capacity and that to learn about weekend Commuter Rail demand, the MBTA would test a new discounted fare program introducing a $10 fare for all zones from Saturday, June 9, 2018 and concluding on Labor Day, September 2, 2018. At the conclusion of the pilot and after collecting customer feedback the Authority would evaluate the impact on ridership and revenue balance, as set forth in the attached document labeled, “Weekend Commuter Rail Promotion, May 21, 2018.” Discussion ensued.

On motion duly made and seconded, it was:

**VOTED: That the Fiscal and Management Control Board (FMCB) hereby authorizes the General Manager or his designee to take all necessary steps to implement a Weekend Commuter Rail Pilot Promotion, as discussed in the FMCB meeting of May 21, 2018.**

Next, Chair Aiello called upon Laurel Paget-Seekins, Director of Fare Policy and Analytics to present Agenda Item H, a discussion on Commuter Rail Zone Evaluation. Ms. Paget-Seekins provided a brief history of commuter rail zones and current policy principles for commuter rail fares. Ms. Paget-Seekins continued to discuss key policy issues and next steps, including passenger counts at all commuter rail stations by the end of 2018, installation of Automatic Passenger Counters on 52 commuter rail coaches and the development of fare revenue and ridership projections, as set forth in the attached document labeled, “Commuter Rail Zone Evaluation, May 21, 2018.” Discussion ensued.

Next, Chair Aiello called upon General Manager Ramirez to introduce Agenda Item I, an update on AFC 2.0 and the outreach plan. The General Manager said that although this was a software project, it also was a huge construction project and he introduced the new AFC 2.0 Program Manager David Sikorski. Mr. Sikorski, who had more than 30-years of experience in engineering and development in large-scale infrastructure projects, thanked the GM and the board and provided an overview of his 60-day plan, project team, functional organizational chart and design review process.

The Chair asked Laurel Paget-Seekins to continue with the presentation and discuss the Outreach Plan. Ms. Paget-Seekins discussed the supporting policies necessary to achieve the goals of AFC 2.0 and noted the outreach principles guiding the process: accountable, accessible and proactive, transparent and interactive.

At 1:48 p.m., the meeting recessed for a fire drill.

The Board reconvened at 2:03 p.m.

Ms. Paget-Seekins continued outlining the need for policies to achieve benefits and key policy tradeoffs. The four main policy areas are: data privacy, access to fare cards and sales locations, fare inspections/proof of payment and fare structure and products.

Ms. Paget-Seekins concluded with the AFC 2.0 timeline for outreach and policy implementation, as set forth in the attached document labeled “AFC 2.0 Quarterly Update to the Fiscal and Management Control Board, May 21, 2018.” Chief Technology Officer David Block-Schachter contributed to the presentation. Discussion ensued.

Next, Chair Aiello called upon Mike Abramo, Chief Administrator Officer to present Agenda Item J, the Financial Update. Mr. Abramo highlighted some important information, namely: the MBTA had transitioned commercial banking accounts to Citizens Bank generating $3,000 a day in interest; the Pay-Go capital project intake process and project management were now active in eBuilder; and the FY18 deficit of $370 M was below projections ($600M of cumulative savings since the creation of the FMCB). He continued to discuss the FY17 full year actuals vs. FY18 full year projects.

Mr. Abramo concluded with a recap of the FY19 operating budget and potential risks to it, as set forth in the attached document labeled “Operating Budget Stability, FY18 Year-End Projection, May 21, 2018.” Discussion ensued.

Mr. Abramo noted the Q3 Update was a written submission contained in the Board books, as set forth in the attached document labeled, “Operating Budget Stability, FY18 MAR YTD Financial Update, May 21, 2018.”

Lastly, Scott Bosworth, Chief Strategy Officer was called upon to present Agenda Item K, an update on the South Station Air Rights Extension. Mr. Bosworth provide the Board with an updated profit and loss statement, some deficit reduction strategies and recommendation to the Board for approval of an extension to the Fifth Amendment to the Development Agreement, as set forth in the attached document labeled “Fifth Amendment to Development Agreement, May 21, 2018.” Discussion ensued.

On motion duly made and seconded, it was:

**VOTED: That the Fiscal and Management Control Board hereby authorizes the General Manager or his designee to execute an Amendment to a certain Development Agreement for South Station Air Space, dated April 30, 2007 as amended by each of that certain First Amendment to Development Agreement dated April 27, 2017, Second Amendment to Development Agreement dated May 30, 2017, Third Amendment to Development Agreement dated June 29, 2017 and Fourth Amendment to Development Agreement, dated April 30, 2018 (as so amended the “Development Agreement”), between the Massachusetts Bay Transportation Authority, the Boston Redevelopment Authority d/b/a the Boston Planning & Development Agency, and South Station Phase I Owner LLC, in a form approved by the General Counsel, to extend the Outside Closing Date to**

**October 31, 2018.**

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

 Chairman Aiello Yes

 Director Poftak Yes

 Director Lang Yes

 Director Shortsleeve Yes

**VOTED: to adjourn to Executive Session for a discussion of strategy related to real estate, collective bargaining and litigation at 2:51 p.m.**

**Documents relied upon for this meeting:**

Minutes of May 7, 2018

GM Remarks, May 21, 2018

FMCB Public Schedule, May 21, 2018

Commuter Rail Update, May 21, 2018

Commuter Rail Zone Evaluation, May 21, 2018

Weekend Commuter Rail Promotion, May 21, 2018

AFC 2.0 Quarterly update to the Fiscal and Management Control Board, May 21, 2018

Operating Budget Stability, FY18 Year-End Projection, May 21, 2018

Operating Budget Stability, FY18 MAR YTD Financial Update, May 21, 2018

Fifth Amendment to Development Agreement May 21, 2018