



Charles D. Baker, Governor  
Karyn E. Polito, Lieutenant Governor  
Stephanie Pollack, MassDOT Secretary & CEO  
Steve Poftak, General Manager



January 13, 2020

**Hon. Stephanie Pollack**  
Secretary  
Massachusetts Department of Transportation  
10 Park Plaza – Suite 4160  
Transportation Building  
Boston, MA 02116

**Hon. Michael J. Heffernan**  
Secretary  
Administration and Finance  
24 Beacon St - Room 373  
State House  
Boston, MA 02133

**Hon. William M. Straus**  
House Chair  
Joint Committee on Transportation  
24 Beacon St - Room 212  
State House  
Boston, MA 02133

**Hon. Joseph A. Boncore**  
Senate Chair  
Joint Committee on Transportation  
24 Beacon St - Room 212  
State House  
Boston, MA 02133

**Hon. Aaron Michlewitz**  
Chair  
House Committee on Ways & Means  
24 Beacon St - Room 243  
State House  
Boston, MA 02133

**Hon. Michael J. Rodrigues**  
Chair  
Senate Committee on Ways & Means  
24 Beacon St - Room 212  
State House  
Boston, MA 02133

**Michael D. Hurley**  
Senate Clerk  
Office of the Clerk of the Senate  
24 Beacon St - Room 335  
State House  
Boston, MA 02133

**Steven T. James**  
House Clerk  
Office of the Clerk of the House  
24 Beacon St - Room 145  
State House  
Boston, MA 02133

Secretaries Pollack and Heffernan, Chairs Straus, Boncore, Michlewitz and Rodrigues, and Messrs. Hurley and James:

On behalf of the Fiscal & Management Control Board ("FMCB"), please accept this 2019 Annual Report of the FMCB, as required by Section 207(b) of Chapter 46 of the Acts of 2015.

This fifth and final report, presented after more than four years of governance of the Authority by the FMCB, outlines what we, as a Board, have learned, highlights certain key

accomplishments achieved by the MBTA during our tenure, identifies challenges faced by the Board and the MBTA, and, finally, includes our recommendations for the governance of the Authority going forward.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joseph Aiello". The signature is fluid and cursive, with the first name "Joseph" written in a larger, more prominent script than the last name "Aiello".

Joseph Aiello, Chair  
Fiscal and Management Control Board



Charles D. Baker, Governor  
Karyn E. Polito, Lieutenant Governor  
Stephanie Pollack, MassDOT Secretary & CEO  
Steve Poflak, General Manager



VOTED:

That the Fiscal and Management Control Board (the "FMCB") approve the report entitled "2019 FMCB Annual Report" (the "Report"), including any amendments and revisions as directed by the FMCB; and

VOTED FURTHER:

That the Board authorizes that the Report shall be submitted, in the name of and on behalf of the FMCB, to the Legislature, pursuant to Section 207(b) of Chapter 46 of the Session Laws of 2015.

A true copy;

ATTEST: January 13, 2020

Joseph Aiello, Chair  
Fiscal and Management Control Board

## **2019 FMCB Annual Report**

This report fulfills the requirements of Section 207 of Chapter 46 of the Acts of 2015 specifying that the MBTA Fiscal and Management Control Board (FMCB) report annually on, among other things, the Massachusetts Bay Transportation Authority's "own-source revenue, operating budget, capital plan and progress toward meeting performance metrics and targets. This final report is presented to the Legislature after four and a half years of governance by the FMCB, with just under six months left in our term.

The FMCB has chosen to depart from the format of previous reports and provide a narrative regarding what we have learned, which accomplishments have been satisfactory, and which have not, and to make certain recommendations for the future of the MBTA. We have included much of the required data reporting as an Appendix to this Report.

The FMCB Directors certainly understood that the Authority was adrift and plagued by a variety of challenges at our inception in July 2015. We quickly began to understand that enormous physical and psychological disrepair and management inertia had set in. The causes of the disrepair were many but likely driven by long-term neglect, long-term/repeated turnover in General Managers (GMs), and lack of a common vision within the organization. We cannot stress enough what a challenging environment we found.

Indicators of these serious challenges were unreliable service, a dispirited workforce, lack of sufficient management capacity, lack of clear expectations on safety and customer service, and a dismal approach to financial discipline.

Today, the MBTA is on a stable course and seeing improvement every day. However, the road to achieving the MBTA's vision for its future will be a long one. Put simply, the FMCB believes that the only acceptable future for the MBTA is one in which it has become a globally premier transit system. This system must put safety and customer service first, be an excellent steward of the public trust and resources, support mobility needs within the metropolitan area, be resilient to climate change, and transform itself into a largely decarbonized enterprise.

The road to recovery will indeed be long and challenging, but executive leadership and extensive stakeholder engagement will help overcome the obstacles that lie ahead.

### **A FEW OBSERVATIONS**

Safety and organizational culture must go hand-in-hand. Faced with dissatisfaction on attention to Safety, The FMCB commissioned an Independent Safety Panel. The Safety Panel Report informed us that safety systems, processes, and procedures were found wanting. Beyond significantly underperforming in those areas we must recognize that while they are essential for a best-in-class safety organization, they are insufficient on their own. Developing a CULTURE where every employee and contractor understands and is committed to their individual and collective safety responsibilities is critical. The General Manager has begun to undertake this

cultural shift, but it must be a permanent priority of the governing board that will succeed the FMCB. A shared commitment by every employee and contractor toward creating a truly world-class transit system is essential. If our workforce does not believe in that future, it will never be attained.

The battle for talent and retention is real—and is a real barrier toward success. While the FMCB has seen the introduction of new training and certification programs and has had some success with senior management recruitment, these accomplishments have been meager compared to the challenge. Out-of-date recruitment, compensation, and professional development packages represent an urgent situation at the T that must be addressed.

Transparency, listening, and dialogue create value. One cultural breakthrough the FMCB has observed is the evolution of staff's relationships with stakeholders from wariness to effective collaboration in identifying and solving problems. Our metropolitan region benefits from a richness of individuals and organizations from all walks of life and philosophies. We have watched the staff grow in their respect for and appreciation of what the community we serve has to offer.

## NEW INITIATIVES

The FMCB has been proudly aggressive in its insistence on a rapid pace of change for the better. We have no regrets, despite some disappointments, in launching a wide variety of initiatives during our tenure. A sample of these is given below:

**Safety Review Panel Report** – On June 11, 2019, a single Red Line car from a six-car set ran off the tracks at JFK/UMass near Columbia Junction. This damaging incident highlighted the need for greater safety oversight at the MBTA and led the FMCB to engage three transportation experts to review the safety shortcomings at the MBTA. [The Safety Review Panel's report](#) found that the T is safe to ride, but many aspects of the organization's approach to safety, operations, and workplace culture are questionable and require immediate attention. It is clear from the report's recommended corrective actions that improving safety at the MBTA will require sustained attention from senior management, more financial resources, and the oversight of the FMCB's successor. The FMCB cannot overstate the need for the MBTA to get safety systems (including enhanced preventative maintenance and preventative maintenance inspections) and a safety culture up to best in class status as urgently as possible.

**Reform of the Red and Orange Line improvement programs** – We inherited a procurement of new vehicles, but we pivoted to an objective of adding significant extra capacity coupled with a long-term performance promise to our customers. The asset management programs that we have adopted will enable 3- and 4.5-minute rush-hour headways at 95% or greater on-time performance starting in 2025. Each year on the road to 2025 will see improved on-time performance and additional capacity. Our promise to the public is to follow a specific asset management plan to ensure that we adhere to the previously stated performance objectives for a minimum of 25 years starting in 2025. No other US transit is making such a long term performance guarantee via its public workforce.

**Green Line Extension** – We inherited a poorly scoped, poorly procured, and poorly managed but essential investment. Through staff and consulting changes, an improved procurement method, and best-in-class management tools, the project is on course toward outcomes we all can be proud of and opening by the end of 2021. Our estimate is that we will deliver this project with at least a \$500 million reduction from the program we inherited.

**Green Line Transformation** – We will double capacity on the Green Line via a coordinated set of investments in vehicles, stations, track, signals, power, and other infrastructure to improve safety, reliability, capacity, and accessibility. These investments will enable the T to buy off-the-shelf vehicles and take advantage of new technology to carry the same number of passengers as a current two-car trainset with only one driver and 60% of its length.

**South Coast Rail** – In 2019, the South Coast Rail program obtained permits and full funding for phase one to provide commuter rail service to New Bedford and Fall River. In July, construction of South Coast Rail commenced with a groundbreaking event, with work underway on culverts, early bridge reconstruction, and purchase of track material. In September, FMCB approved the purchase of 16 bi-level coaches for South Coast Rail service. The design of the Fall River Line and the New Bedford Line is complete, with contracts ready to be advertised in February 2020 and April 2020. The project is on schedule to provide revenue service by the end of 2023.

**Blue Line improvements** – The Blue Line has seen signal modifications between Wood Island and Airport Station to improve headways while maintaining safe braking distances and track improvements throughout the line. We have set in motion signal and power upgrades and resiliency investments to protect against flooding. We have also restarted the Red-Blue Connector to extend the Blue Line to meet the Red Line at Charles/MGH. These investments will make the overall downtown Boston transit network more resilient but also make the Blue Line more productive while protecting access to Logan International Airport and accommodating significant growth in East Boston, Revere, and near MGH.

**Rail transformation** – The Board recently adopted a set of policies (See Appendix J) to transform our current Commuter Rail system into a largely electrified/de-carbonized rail system that provides more frequent all-day service throughout the system. The goal of the first phase is to introduce EMU-powered service along the Providence/Stoughton, Fairmount, and a portion of the Newburyport/Rockport Lines within four years. The first phase will also include strategic improvements to the balance of the network. (See Appendix K for a map of the first phase implementation.)

**Better Bus Project** – The MBTA has set its course for creating a more reliable and customer-friendly bus system. We have worked with key municipal leaders to add bus shelters, more bus lanes, and traffic signal prioritization to move buses in those corridors much more quickly. We have initiated a municipal bus challenge to encourage these and other municipalities to rapidly accelerate investments so that bus trips become a more attractive option to riders. We are in the process of expanding the bus fleet and finally making progress on long-awaited modern maintenance facilities that can accommodate 20% more buses and that will eventually support our planned conversion to battery electric buses. This includes planning for modernized and

expanded bus maintenance facilities in Quincy, Boston, and elsewhere. A new facility in Quincy, for example, will be able to support enhanced service and a more rapid transition to hybrid and electrified fleets, as well as improve working conditions for MBTA employees.

**Replacement of an outdated fare collection system** – We moved from an initiative that had been moving slowly with no committed budget to one that has been fast-tracked to success. While this project will not be able to maintain its initial aggressive schedule, the new system's benefits will begin to materialize in 2020. Over the next few years we'll see full fare integration of the Commuter Rail and ferry systems, a reduction in the use of cash to cut dwell times, the ability to introduce more targeted fare policies such as time-of-day discounts, distance and directionality considerations, and many other features.

**Reduction in carbon emissions** – We have taken numerous steps to get smarter and more efficient in the way the MBTA handles energy by improving the way we buy energy and capitalize on economies of scale, investing in improvements that reduce energy consumption, and running cleaner and more fuel-efficient vehicles. In FY14, the MBTA spent \$48.3 million on electricity; in FY19, it only spent \$43 million, despite the cost of electricity rising by 12.5%. Overall, we have reduced greenhouse gas emissions by 27,000 metric tons per year. As we transition to even cleaner and electric vehicles and continue to implement energy efficiency improvements, we will reduce carbon emissions even further.

**Stewardship of the public's dollars** – During the FMCB's five-year tenure, we greatly accelerated our state of good repair investments (i.e. replacing outdated power, signals, track, vehicles, etc.) for a safer and more reliable system. We have added more than 10,000 additional annual Commuter Rail trips at the highest on-time performance rate in several years, introduced the Silver Line 3 service to Chelsea, and made other service improvements while keeping budget growth to an annual rate of less than 3% on average. The MBTA invested more than \$1 billion in safer and modernized systems in FY2019. In the current FY20 we are on a pathway to reach and then sustain an annual minimum of \$1.5 billion of capex.

**Customer care** – We inherited an organization that had an overburdened set of professionals who only thought about a discrete set of customers. Today we have the foundation of a centralized and strategically oriented Customer Experience enterprise which ensures that we are thinking strategically about customer care, communications, analyzing feedback, and engaging more fully on social media. This transformation into a customer-centric culture is essential to becoming a best-in-class transit system.

## CONCLUSION

We have previously opined that the MBTA needs its own board of directors and that the Secretary of Transportation should be a member of the board. The hiring and firing of the GM should be the role of the Board with certain rights reserved for the Secretary. With the exception of the Secretary, the future MBTA board members shall not also serve as MassDOT board members. The position of the Secretary shall be responsible for providing interagency and

intermodal collaboration from a policy and program perspective. With this understanding, we further recommend reducing the number of required meetings from 36 annually to 15. We recommend that a Safety update be a required agenda item at every future Board meeting. The FMCB will institute this practice starting with its January 27 meeting.

We have come to believe that clear control of the board by a sitting Governor is critical to its success. We agree with the Safety Review Panel finding that at least one member be a specialist in operations and safety. We also believe that full transparency with the public is the best long-term safeguard against a relapse of pre-2015 conditions. Transparency has associated costs, but in the long term it is undoubtedly less expensive. We strongly encourage the Legislature to set in motion a plan for establishing a successor board at least 45 days before the end of the FMCB's term on June 30. A strong and coordinated transition will be helpful to all.

Finally, we are grateful to Governor Baker for asking each of the seven directors to have served over these past five years. We thank him for his support and for the independence he granted us to do our jobs. We certainly did not perform infallibly, but our intent has always been clear: to move the MBTA toward the system that our region needs and that can stand among the great transit systems of the world. The journey continues as we pass the baton to the next board.

## Appendices

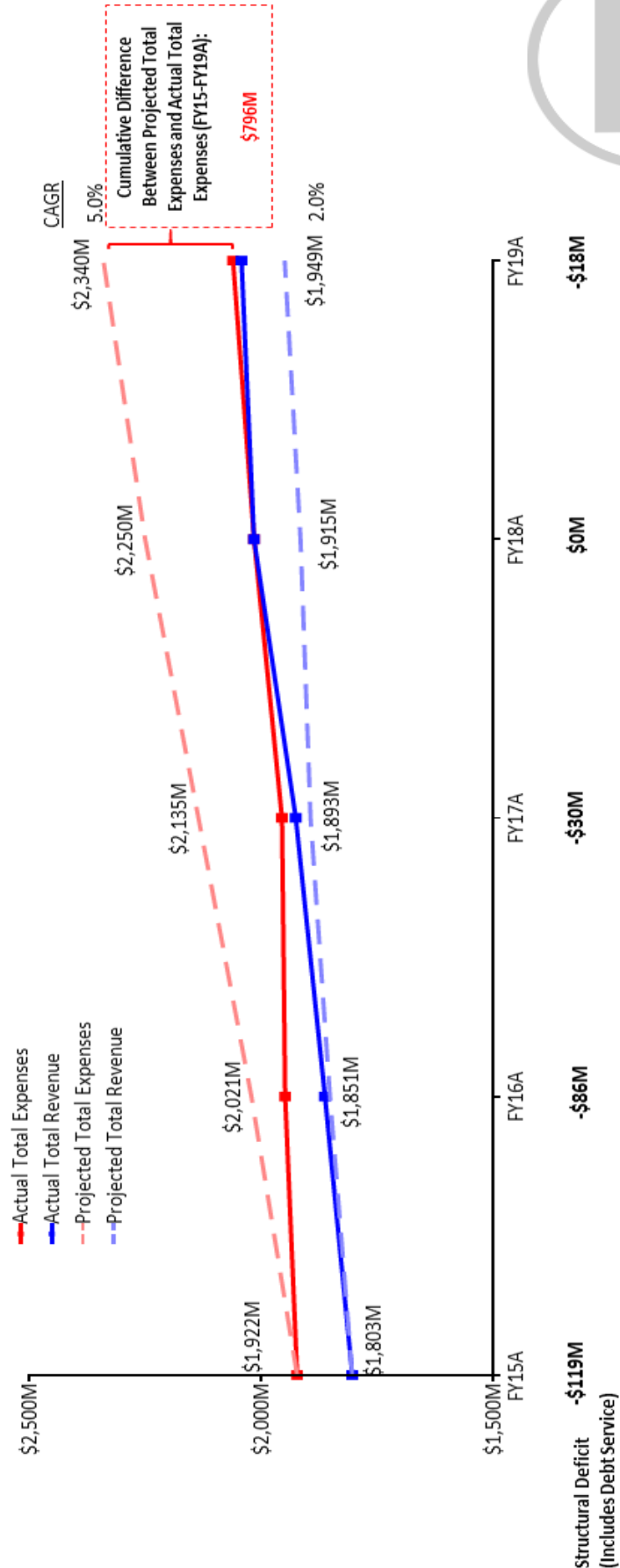
- A. Fiscal sustainability
- B. Maintaining a priority list of immediate capital needs for the next 5 years and procurement and implementation plans
- C. Imposing a barrier between the commingling of operating and capital budgets
- D. Increasing own-source revenue as required by section 61 of chapter 46 of the acts of 2013 and utilizing the lease and sale of real estate assets to support the long-term health of the system and implementing value capture strategies
- E. Centralizing authority procurement and contracting, implementing best procurement and contracting practices and sharing or consolidating authority procurement and contracting with that of the department consistent with this act
- F. Planning and preparedness processes and adopting an incident command system
- G. Improving customer relations and instituting a customer-oriented performance management program
- H. Identifying and implementing best practices supporting workforce productivity and engagement and reducing employee absenteeism
- I. Reducing barriers to public-private partnerships
- J. FMCB Vote on Rail and Bus Transformation
- K. Rail Transformation: Phase 1 Implementation



## Appendix A: Fiscal Sustainability

In 2015, the status quo Pro Forma projected a 5% cumulative annual growth rate in total expenses, leading to a \$391 million structural deficit by FY19. However, with the guidance of the FMCB, the MBTA achieved a cumulative cost savings of \$796 million, despite adding new services, and posted its first balanced budget in a decade in FY18. Core operating expense growth increased at a rate of 1.9%, below the inflation rate for the third straight year.

# FMCB actions to date have resulted in \$796M cumulative savings



## Appendix B: Maintaining a priority list of immediate capital needs for the next 5 years and procurement and implementation plans

The FY20-24 Capital Investment Plan (CIP) continues the MBTA's focus on core system capital investments to deliver a safe, reliable, and modern transit system. The overarching goals of addressing asset condition and modernizing the system by 2032 remain the CIP's principal focus. In total, the CIP identifies \$9.4 billion in available funding sources and assigns those funds to three priorities (reliability, modernization, and expansion) and 17 investment programs. The Authority has laid out an aggressive plan for how to invest available funding while recognizing the importance of a realistic and feasible set of goals for project delivery and execution. The CIP allocates funding to high-priority programs and projects based on FMCB-approved program sizes and anticipated project cash flows. The overall spending target of \$8.2 billion over five years reflects a more gradual ramp-up. This schedule allows for the development of internal and external delivery capacity.

# MBTA Capital Investment by Year



## Appendix C: Imposing a barrier between the commingling of operating and capital budgets

December 9, 2019

Mr. Joseph Aiello, Chairperson  
Financial Management Control Board  
Massachusetts Bay Transportation Authority  
Ten Park Plaza  
Boston, MA 02116

Dear Chairperson Aiello,

The FY 19 Budget (CH 154 of the Acts of 2018) amended the Massachusetts Bay Transportation Authority (Authority) legislation requiring an itemized budget by further specifying requirements for expenditures and the classification of any employee on the capital budget. The section provided that such classification be in accordance with federal funding requirements, government accounting standards, applicable state finance, and federal laws. The amended language further requires an annual review by an independent third-party auditor of the Authority's practices related to classifying employees on the capital budget. (See attached outside section 45)

In order to ensure compliance with section 45, we have enhanced procedures related to classification and review of capital personnel. These procedures included a review in the first quarter of each capital employee's work responsibilities and classification to specific projects, grant and work order sources, which funded their efforts, be they federal, state or other sources. Payroll, which is processed on a biweekly basis, is entered and approved by project managers and senior managers within the Capital Delivery and Capital Program Oversight departments. Payroll is then validated and input errors edited prior to final posting within the accounting department for proper classification. A final review of capital labor expenses occurs subsequent to posting by specific capital grant or work order, compliance with generally accepted accounting principles and funding source requirements.

The annual audit of the financial statements of the MBTA for the year ended June 30, 2019 has been completed and issued as of November 26, 2019 with no finding of any material weaknesses. This third party independent review coupled with the enhanced internal operating procedures demonstrate our efforts in compliance with section 45 of CH 154 of the Acts of 2018. The attached letter from KPMG (our auditor) contains a summary of their engagement, procedures and observations as part of their engagement.

If any further clarification or material is needed please contact me at your convenience.

Mary Ann O'Hara  
*Chief Financial Officer*

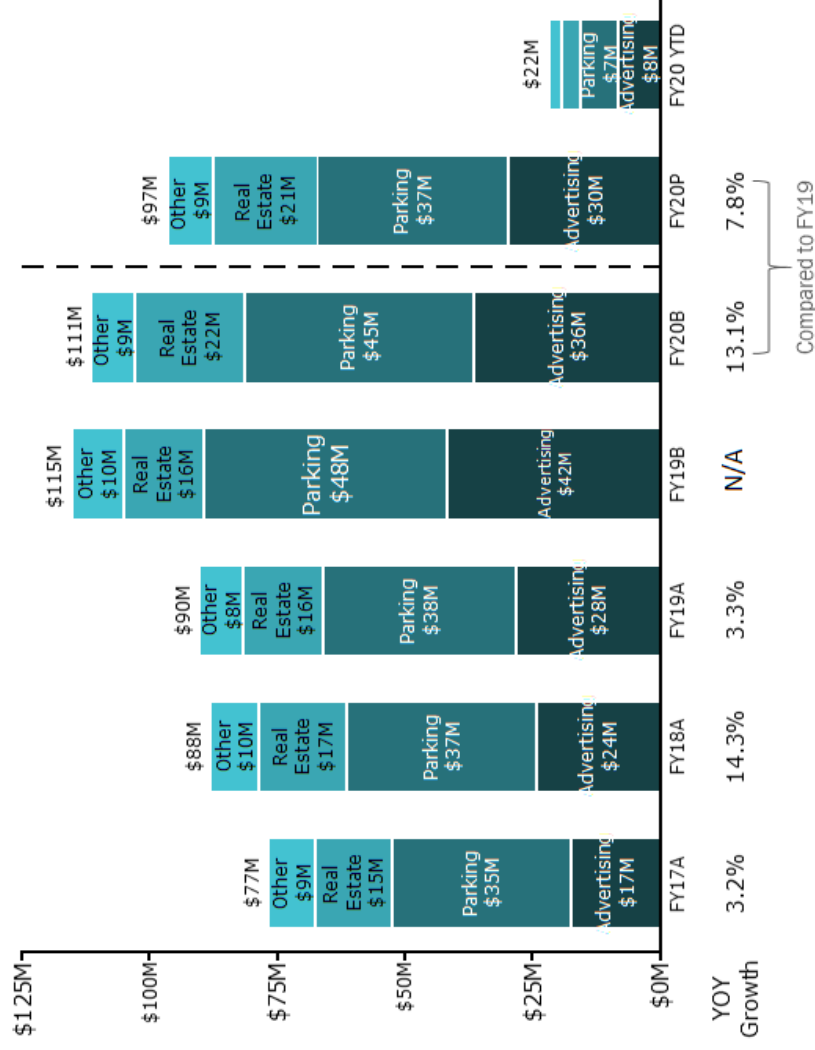
Appendix D: Increasing own-source revenue as required by section 61 of chapter 46 of the acts of 2013 and utilizing the lease and sale of real estate

**Parking:** Republic Parking, whose technology has allowed dynamic pricing options, took over in 2017. In FY18, parking enforcement improvements reduced operating expenses and grew revenue. In FY19, price updates grew revenue, but offsets included major construction, expiration of third-party agreements, and past policy decisions.

**Advertising:** In addition to traditional advertising media, digital advertising holds excellent potential for increasing the MBTA's own-source revenue. We have installed more than 225 digital panels to date at no cost to the MBTA. We will establish additional billboards and digital panels in 2020. The strategic digitization of existing outdoor advertising assets alongside roadways can reach drivers where they are and help provide useful transit and transportation information. The MBTA will use these outdoor information panels to promote services for free and drive ridership, representing both marketing savings and new revenue growth. Each new outdoor information panel guarantees a minimum annual revenue of \$205,000.

**Real estate:** The Real Estate Department is in the process of assessing MBTA properties proactively to determine opportunities to improve operations and customer experience and to leverage the value of property most suited to development. It is also exploring potential new recurring revenue opportunities, including advocating for alternative methods for public-private partnerships, and leasing modeled on best practices at other agencies. The revenue goal is to increase recurring revenues to over \$17 million annually by FY21 and over \$20 million by FY23.

# Own Source Revenue: Parking, Advertising, Real Estate, and Other



Appendix E: Centralizing authority procurement and contracting, implementing best procurement and contracting practices and sharing or consolidating authority procurement and contracting with that of the department consistent with this act

The MBTA works with an array of partners to support operations, including human resources, financial management, procurement, information technology and communications, marketing and advertising, and real estate management. Several of these functions are managed through long-standing relationships with third-party private vendors whose focused industry expertise supports better and more efficient operations. In some cases, including commuter rail, The RIDE, ferries, and several bus routes, service delivery itself is contracted out. All Regional Transit Authorities contract out their bus operations and most out-source maintenance

One example of innovative contracting is new snow and ice removal contracts. Prior contracts for this type of work were based on an hourly rate, forcing the MBTA to own snow's unpredictability and potentially uncapped financial obligations fully. The department decided to pilot a new risk-sharing framework for snow and ice removal at bus stops on key routes and at bus and rail support facilities, allowing the MBTA to cap its risk exposure, budget accordingly for snow and ice removal, and track, measure, and adjust performance in real time. The results of the pilot were impressive: each vendor performed to the standard and continued to perform at no additional cost to the MBTA even when snowfall exceeded the 65-inch cap. In FY19, the pilot scaled up to include all 5,600,000 square feet of area that the MBTA is responsible for clearing. The MBTA received 61 invoices from contractors, an 84% reduction from FY18



## Appendix F: Planning and preparedness processes and adopting an incident command system

Over six weeks in January and February 2015, Boston experienced record-breaking snowfall totaling 94.4 inches, drastically exceeding the average snowfall of 44.3 inches per year since Logan Airport began recording snowfall data in 1936. This snowstorm brought the MBTA to a standstill and resulted in a system-wide shutdown for multiple days. In response to the closure, MBTA Operations revised the snow and ice plan, implemented an incident command base structure and Emergency Operations Center, adopted a winter resiliency investment plan, and began an after storm/event action review. Since then, the MBTA has not experienced a full system shutdown or closure.

The MBTA's winter preparation strategy now includes significant improvements to infrastructure, vehicles, management, and communications. Infrastructure improvements include procurement of additional third rail heaters, switch and trip heaters, snow fencing, switch covers, emergency power generation at facilities and sub-stations, and dewatering pumps. Vehicle improvements include procurement of non-revenue equipment such as auger snow blowers, jet blowers, snow plows, and rail borne equipment as well as procurement of revenue equipment such as spare traction motors. Management improvements include a revised snow and ice operations plan, the installation of a storm desk at the Operations Control Center, and the establishment of a winter drill and exercise training program. The MBTA's public information strategy is now more customer-centric and involves both a general awareness campaign and incident-specific awareness with actionable information. Communications tactics include the use of the MBTA website, digital screens, social media, T-alerts, in-station personnel, the call center, and printed ads.

## Appendix G: Improving customer relations and instituting a customer-oriented performance management program

The mission of the Customer Experience Department is to affect the customer journey through direct and indirect communications positively. In a digital world, posting signs at bus stops or in service vehicles is no longer sufficient, so Customer Experience has had to rethink the way it communicates service disruptions and strategic plans to customers. Riders can sign up for customized T alerts, which push notifications directly to their phone or email and include specific time estimates for delays on riders' selected service routes. On average, 96% of all online conversations related to the MBTA take place on social media, and the MBTA social media unit is directly connecting with customers on the platforms they're using. The In-Station Customer Experience Unit is responsible for over 240 Transit Ambassadors at over 30 station posts. In addition to supporting regular service, Transit Ambassadors provide support for ongoing Capital and Operations projects such as Building a Better T work, elevator replacements, and bus diversions.

Customer Experience also provides internal training programs to improve employees' customer service skills. These programs include new hire and continuous learning sessions for the Transit Ambassador program, an MBTA-wide employee professional development program focused on general knowledge of the MBTA, and the Corporate Volunteer program to assist customers during special events, service disruptions, and emergencies.

For large projects and strategic planning, the MBTA has also worked hard to engage customers in their communities, holding public meetings that, like FMCB meetings, are live-streamed for smooth playback and sharing. The performance dashboard, with metrics such as daily ridership, on-time performance, and revenue and expenses, is available to the public on the MBTA website at <https://mbtabackontrack.com/performance/#/home>.

## Appendix H: Identifying and implementing best practices supporting workforce productivity and engagement and reducing employee absenteeism

The MBTA moves quickly, and every division of the organization must be aligned on a vision. In late 2019, MBTA staff launched a process to update the agency-wide Strategic Plan. The prior Strategic Plan was drafted under the leadership of the FMCB in 2017, but given the numerous policy and personnel changes since then, that plan was no longer driving the best path forward.

The new strategic planning process is staff-driven rather than FMCB-driven. Rather than having a small subset of employees do the bulk of strategic planning, the MBTA has engaged over 100 professionals from across the organization to share their experiences and provide input. The FMCB knows that much work must be done to build the culture and communications change needed at the MBTA. This employee-led strategic planning process will set the right direction for the future.

The Strategic Plan will develop a clear view of the MBTA's current organizational strengths and challenges, set goals for the future, and create a plan to reach those goals. The process centers on collectively deciding where the MBTA is now, where it wants to go, and how it will get there. It is inward-facing, looking not at what parts of the transit system need attention but rather on what functions of the organization require improvement to deliver on commitments to the public. As the MBTA works to transform service for the public, strategic planning will function as a parallel process designed to ensure the MBTA has the modern organization and workforce structure required to support that work. The initial staff engagement and planning phase is expected to be completed by March 2020, with the goal of having not only a comprehensive written plan but also the development of these professionals into ambassadors for change.

The MBTA also recognizes the importance of having enough capacity to get the job done. The Department of Human Resources is seeking to add 80 FTEs to Capital Delivery to expand capacity and address attrition. In addition to these full-time capital employees, operating departments need more employees to support the capital program. For most of these employees, managing daily operations is their primary responsibility, with support to capital projects provided via overtime. Existing operating and capital budget constraints make it challenging to create and maintain a maintenance and operations workforce. A workforce entirely dedicated to capital project support, and the lack of dedicated resources limits the MBTA's ability to accelerate projects that require access to tracks and other infrastructure. To address these needs, the MBTA has requested a one-time fund to hire a "flex force" of operations resources that can support both capital and operating tasks. This fund would provide short-term flexibility to rapidly employ additional staff and contractors to accelerate capital projects and perform additional inspections and operations maintenance. Governor Baker's Transportation Bond Bill includes \$50 million in funding for the flex force. The Legislature is currently considering this bill.

## Appendix I: Reducing barriers to public-private partnerships

On November 4, the FMCB approved a series of resolutions related to bus and rail transformation. The resolution below calls for the legislature to adopt Governor Baker's transportation bond bill to ease restrictions on public-private partnerships:

VOTED: The level of investment and the complexity of mission needed to support resolutions 1 & 2 above will require consideration of new contract mechanisms and new labor practices. The Board requests the Legislature to support the statutory authorization for a public-private partnership and reform proposals in Governor Baker's transportation bond bill proposal. Greater use of the talent and innovation in the private sector is critical and tools that provide the Authority with greater leverage over long term performance of the private sector is essential.

## Appendix J: FMCB Vote on Rail and Bus Transformation - November 4, 2019

### **VOTED:**

The FMCB directs the General Manager and his staff to transform the current commuter rail line into a significantly more productive, equitable and decarbonized enterprise. Specifically, the FMCB expects that the assets of the commuter rail system of the future will be more similar to rapid transit providing all day service at intervals on its most dense corridors at 15-20 minute headways and appropriately scheduled additional service on all of its lines (herein referred to as regional/urban rail). The FMCB directs staff to develop a set of options that maximize the ridership returns on investment over the next ten years and support a pathway to more improvement over the long term, with particular emphasis on lines that are most likely to be well used. The FMCB expects that the system of the future will be largely electrified, be fully integrated in all aspects into the balance of the MBTA system and that last mile/first mile, increased parking access and other elements will be implemented as part of this program. The FMCB expects the MBTA to develop a program of high-level platform implementation in a sequence that is consistent with the Program for Accessible Transportation Investment (PATI) and optimizes impacts for the customer.

### **FURTHER VOTED:**

The FMCB directs the GM to immediately take steps to prepare for implementation for Phase 1 of the transformation effort. While needed service along all corridors must be attended to, the MBTA shall first implement EMU powered service along the Providence/Stoughton line, the Fairmont line and the line from Boston to Everett to Chelsea to Revere to Lynn (the so-called Environmental Justice line). The Fairmont and EJ lines shall be designed to deliver rapid transit headways and at fare levels akin to the then fare structure of the rapid transit system. The MBTA shall generate a refined cost estimate for Phase 1 and prioritize pursuit of the estimated \$1.5 billion dollars required for this three-pronged effort.

### **FURTHER VOTED:**

The FMCB directs the GM to immediately establish a regional/urban rail transformation office. This office shall contain responsibility for all short, medium- and long-term elements of transformation including developing and maintaining the business case to support the investments needed. This office shall develop and implement environmental, financial, procurement, current commuter rail operating agreement re-bid and operational strategies as well as others as needed. This office shall be responsible for developing and implementing a stakeholder engagement plan. The staff shall have no other responsibilities outside the transformation mission.

No later than the last Board meeting in January 2020, the GM shall present to the Board for approval, the staffing plan ( not individual employees) for the transformation office, the budget

necessary to support the office, target completion dates for the three components within Phase 1 of the transformation effort, a conceptual work plan and schedule outlining the work to be pursued in the years 2020 and 2021 and a proposed consulting support plan that would bring in best practice international expertise. The FMCB requests that the current consultant that is engaged in the procurement strategy work, including work on the re-procurement of the current commuter rail contract, attend that meeting and present their work to date and the approach they intend to take.

**FURTHER VOTED:**

The level of investment and the complexity of mission needed to support resolutions 1 &2 above will require consideration of new contract mechanisms and new labor practices. The Board requests the Legislature to support the statutory authorization for a public-private partnership and reform proposals in Governor Baker's transportation bond bill proposal. Greater use of the talent and innovation in the private sector is critical and tools that provide the Authority with greater leverage over long term performance of the private sector is essential.

**FURTHER VOTED:**

The FMCB directs the GM to establish a bus transformation office immediately. This office shall contain responsibility for all short, medium- and long-term elements of transformation, including developing and maintaining the business case to support the investments needed. This office shall develop and implement environmental, financial, procurement, and operational strategies and others as required. This office shall be responsible for developing and implementing a stakeholder engagement plan. The staff shall have no other responsibilities outside the transformation mission.

No later than the last Board meeting in January 2020, the GM shall present to the Board for approval, the staffing plan (not individual employees) for the transformation office, the budget necessary to support the office, a conceptual work plan and schedule outlining the work to be pursued in the years 2020 and 2021 and a proposed consulting support plan that would bring in best practice national and international expertise. The FMCB requests that the current consultant that is engaged in the Bus Network Redesign Strategy work attend that meeting and present their work to date and the approach they intend to take.

## Appendix K: Rail Transformation – Phase 1 Implementation

