



Minutes (Draft)

## Executive Committee

Tuesday, February 13, 2024

10:00 AM – 11:00 PM

- **Call to order:** Chair Thomas P. Koch (Quincy) called the meeting to order at 10:02 AM. He led the committee in the Pledge of Allegiance, and a Moment of Silence to Honor all those serving in the US armed services around the world.
- **Introductions, etc.:** The Chair recognized Brian Kane (Executive Director) who noted that the Executive Committee, under Massachusetts General Laws chapter 161a, §7a, and the bylaws of the MBTA Advisory Board exercises the authority of the full MBTA Advisory Board when convened. It consists of 26 members, which represent at least 50% of the total weighted vote of the body. In 2024, the plan is for the Executive Committee, or the full Board to meet at least monthly.
- **2021 & 2022 Audits:** The Chair recognized Colette Aufranc (Wellesley), Board Treasurer and Chair of the Budget & Audit Committee to present the audit reports for the years ended 12/31/2021 and 12/31/2022. Ms. Aufranc noted that the Budget & Audit Committee received the audit and discussed it at its meeting on February 5, 2024, where is voted to recommends acceptance of the audit reports by the Executive Committee. She noted that the organization is in a much stronger position with respect to internal controls, written policies, and financial procedures than in recent years. Ms. Aufranc introduced Renee Davis, a partner at Marcum, LLP (formerly Powers & Sullivan) to present the audits to the committee. In her presentation, Ms. Davis noted the following:
  - The audits are straight forward, clean, with no material findings, no weaknesses, nor any management letters.
  - The Advisory Board has made significant progress in the past 4 years to strengthen its internal controls, financial policies, and procedures including the use of an independent, 3<sup>rd</sup> party bookkeeper.

- One slight issue was noted: in 2020, the Advisory Board overbilled the MBTA and received too much money in 2020, 2021, and 2022. Working with the Authority this is being addressed, and by the end of 2024 this issue will be resolved. Overpayments were recorded as pre-payments, and did not arise to the level of a material finding.
- The auditors tested the internal controls of the organization and all tests passed.
- Starting in 2022, sick and vacation time started being accrued. This is a positive development and good practice. All accruals have since been paid out.

This concluded Ms. Davis's presentation.

C. Aufranc added that since she has joined the MBTA Advisory Board, she's worked closely with the management team to write strong financial policies, and adjust them to the realities of situations. These efforts continue. Additionally, B. Kane has streamlined operations internally resulting in significant savings for the organization and helping to align revenue and expenses. The MBTA Advisory Board operated at a deficit for the past 3 years while old contracts and legacy expenses were retired. This is now concluded, and the 2024 budget shows a surplus.

John DePriest (Chelsea) moved that the Executive Committee accept the Report on Examination of Basic Financial Statements for the Years ended December 31, 2021 and 2022 from Marcum, LLP to complete the audits for calendar years 2021 and 2022. Debra Roberts (Stoughton) seconded this motion, which was approved unanimously.

- **Future Audits:** The Chair recognized C. Aufranc to present an item on future audits on behalf of the Budget and Audit Committee. The MBTA Advisory Board entered into an agreement with Powers & Sullivan, CPAs to conduct audits of the years ended 2021, 2022, and 2023 for an amount of \$7,500 per year. Following its merger, Marcum, LLP will now conduct an audit of the organization for the year ended 12/31/23 for the same fee. The Budget and Audit Committee approved this approach, and Ms. Aufranc was informing the Executive Committee on the Budget and Audit Committee's behalf.

- **2024 Internal Budget:** The Chair recognized C. Aufranc to present the proposed 2024 internal budget on behalf of the Budget and Audit Committee. Ms. Aufranc presented the budget, which the Budget & Audit Committee received at its February 5 meeting, where it voted unanimously to recommend approval to the Executive Committee. In her presentation, Ms. Aufranc noted that the 2024 budget includes a surplus of revenue to expenses for the first time in 3 years. The largest expenses are salary and consultants, including the external bookkeeper. With this explained, Ms. Aufranc moved that the Executive Committee, on behalf of the MBTA Advisory Board, adopt the proposed budget for the period January 1, 2024 through December 31, 2024. J. DePriest seconded this motion, which was approved unanimously. The budget was adopted as presented.
- **Employment Agreement:** The Chair recognized Bernard Lynch of Community Paradigm Associates, LLC to present this item. At the Board's request, Community Paradigm completed an employee evaluation of the Executive Director and provided the Executive Committee with a report and recommendation. This report includes summaries of interviews with numerous Advisory Board members and other stakeholders including the Chair of the MBTA Board of Directors. The report considered the following items:
  - A general sense of performance
  - Overall administration of the organization
  - Internal relations with members
  - External relations including media presence, work the legislature, transportation advocates, the MBTA Board of Directors, MBTA staff and other stakeholders.
  - Communications (internal and external)
  - Technical knowledge related to MBTA operations, transportation finance, and Massachusetts politics.
  - Leadership qualities including currently and the potential for future improvements.
  - General feedback

Mr. Kane was also interviewed. In summary most members expressed the following common sentiments:

- Kane’s performance has been substantially successful over the past 3 years.
- The focus on organizational improvements such as cost reductions, and drafting and implementing written policies, and procedures, and internal controls helped the organization.
- The profile of the MBTA Advisory Board has been raised by the Executive Director in the past 3 years.
- The relationship with the MBTA has shifted from an adversarial one to a sense of partnership.

Areas for improvement recommended by the report:

- Recruit more cities and towns to participate in the MBTA Advisory Board’s meetings and work.
- Work with the legislature
- Communicate more effectively to member communities including sharing information more frequently, and updating the website more regularly.
- Establish a closer partnership between the Executive Committee and Executive Director.

Report Recommendations

- Publish a quarterly newsletter with news and information
- Update the website regularly
- Consider establishing a Legislative/Government Affairs committee.
- Consider establishing a Strategic Planning Committee to go through a process of goal and objective setting for the Board itself and the Executive Director.

As part of its report, Community Paradigm completed a comparative analysis of the compensation of the Executive Directors of two comparable entities, the Massachusetts Port Authority Community Advisory Committee, and the



Massachusetts Water Resources Authority Advisory Board. These were presented to the Budget and Audit Committee at its February 5, 2024 meeting to assist it in making a salary recommendation for the 2024 budget.

Based on these discussions, comparable salary analysis, and the feedback from members and designees, the report recommends that Mr. Kane be retained for an additional 3-year term for a period of March 1, 2024 to February 29, 2027 with a 3.5% salary increase per year starting on March 1, 2024.

Chair T. Koch commented that as the Advisory Board's representative to the MBTA Board of Directors and Chair of its Planning, Workforce, and Compensation Committee, he has witnessed the MBTA undertake multiple efforts to retain talented employees including salary increases inline with what the report is recommending. He suggested that the salary offered in the report is a below comparable positions at the MBTA itself. The Chair expressed support for retaining Mr. Kane as Executive Director and suggested that his fellow members of the Executive Committee vote to accept the report and recommendation of Community Paradigm.

Lenard Diggins (Arlington) commented that he is comfortable with the salary, but expressed concerns that there is not a Deputy Director to assist in the running of the organization, and for continuity. He suggested that the Board begin searching for a Deputy Director to work closer with cities and towns on a regular basis.

C. Aufranc commented that this was discussed by the Budget and Audit Committee. She noted that the organization's budgets can well afford what is on offer and can support it through over the next 3 years. She suggested that the Executive Director has a unique set of skills that fit the MBTA Advisory Board well, and that if the salary range is below what is the average at the MBTA, then it should be increased. Failing this, she suggested that the Board consider extra compensation in the future if Mr. Kane does not accept the health insurance compensation offered. She noted that in Wellesley the cost of this is \$16,000 per employee per year, which is a savings the MBTA Advisory Board is realizing by Mr. Kane not utilizing this benefit. She

suggested that a retention or performance bonus be considered with some of these funds, or that a supplemental payment be made as an incentive to continue this practice, as is the case in many municipalities.

D. Roberts commented that she agrees with the salary recommendations, and praised Mr. Kane's communications, skill set, and other attributes. She further suggested that the report providing comparable compensation packages was helpful, and she is comfortable with the salary increased suggested given where inflation is and may be going in the future. She recommended approval to her fellow members.

C. Aufranc moved to accept the report and recommendation as presented and to offer Brian Kane an employment contract substantially similar to the ones recommended. D. Roberts seconded this motion, which was approved unanimously. Following the vote, Brian Kane thanked everyone for their support and confidence in him.

- **Executive Director's Report:** B. Kane gave the report which included updates on 8 items.
  - 1) Transportation Task Force: B. Kane will represent the MBTA Advisory Board on this important task force being assembled by the Governor.
  - 2) Polling in partnership with Boston Chamber: The Advisory Board hopes to partner with the Boston Chamber to commission some polling of residents statewide on their attitudes towards additional types of revenue for transportation. Matthew Moran (Boston) asked to review questions before they are finalized. B. Kane thought this was a good idea.
  - 3) Legislation: S.1632/H.2681, "An Act relative to certain employees of the MBTA advisory board" was voted favorably by the Legislature's Joint Committee on Public Service.
  - 4) MBTA Fare Changes: The *ad hoc* Fare Changes Review Committee is reviewing the proposed fare changes on behalf of the MBTA Advisory Board, and will report back to the full board with a report and recommendation at its March meeting.
  - 5) Municipal Diversions Update: Under the banner of the Rapid Transit Committee, the MBTA and inner core cities and towns are now

meeting monthly to discuss upcoming and ongoing subway shutdowns, planned alternative shuttle service plans, and to share ways in which communities with significant experience managing MBTA diversions such as Cambridge and Boston can share information with their neighbors.

- 6) Recent Committee Meetings: The Rapid Transit, Budget and Audit, and Far Changes Review committees met recently. Minutes are available.
- 7) Upcoming Committee Meetings: The Fare Change Review, Municipal Diversions, Commuter Rail and Capital Budget Oversight Committees will meet in March and April.
- 8) The full MBTA Advisory Board will meet on March 12, May 14, and June 11. The Executive Committee will meet on April 9.

In addition, Mr. Kane reported:

- He will be on vacation on April 12 and from April 16 to 19. He will be abroad and out of communication during these times.
- The Capital Budget Oversight process will commence in April and come to the Advisory Board for a vote in May.
- The Operating Budget Oversight committee will commence in May and come to the Advisory Board for a vote in June.
- The Bylaw Committee might consider moving the Annual General Meeting from June/July to December/January to better align with the organization's fiscal year.

Chair T. Koch thanked each of the Committee Chairs of the various committees for their efforts. He continued that he has seen a tremendous transformation of the Advisory Board since his initial involvement in 2007, and the seriousness with which things come to the body.

L. Diggins asked if the Transportation Task Force will have a budget. B. Kane answered that he did not know. L. Diggins continued, that with respect to polling there are concerns about working with large Chambers of Commerce, and to ensure that everything is above board.



- **Adjourn:** With all business discussed, C. Aufranc moved to adjourn, a motion seconded by L. Diggins. The motion was approved unanimously, and the meeting adjourned at 10:58 AM.

Member Attendees:

Arlington	Lenard Diggins
Boston	Matthew Moran
Bridgewater	Michael Dutton (Secretary/Clerk)
Cambridge	Susanne Rasmussen
Canton	Christopher Podgurski
Chelsea	John DePriest
Malden	Yem Lipp, P.E.
Natick	Morgan Griffiths
Newton	Ned Codd
Quincy	Hon. Thomas P. Koch (Chair) Frank Tramontozzi
Revere	Tom Skwierawski
Sharon	Hanna Switekowski
Somerville	Brad Rawson
Stoughton	Debra Roberts
Taunton	Hon. Shaunna O'Connell
Wellesley	Colette Aufranc (Treasurer)
Worcester	Todd Kirrane

Other Attendees:

Brian Kane	Executive Director
Bernard Lynch	Community Paradigm Associates, LLC
Ray Santilli	Community Paradigm Associates, LLC