



MEETING MINUTES

May 14, 2024, 10:00 AM

- A. **Call to order:** Hon. Thomas P. Koch (Quincy), Chair, called the meeting to order at 10:01AM. He led the membership in the Pledge of Allegiance, and in a moment of silence keeping in mind those serving in uniform around the globe, and to pray for peace universally.
- B. **Minutes:** Brian Glennon (Duxbury) moved to approve the minutes of the 4/9/24 meeting. Dan Salvucci (Whitman) seconded this motion which was approved without objection.
- C. **MBTA FY25-FY29 Capital Improvement Plan:** Brian Kane presented the FY25-29 MBTA Capital Improvement Plan Oversight Report on behalf of the Capital Budget Oversight Committee. He noted that Committee Chair Susanne Rasmussen (Cambridge) was in meetings with her City Council on her departmental budget, and so could not attend. B. Kane thanked all the members of the committee for their efforts:
- The committee supports this CIP and recommends its endorsement and approval by the MBTA Advisory Board. It is worth \$9.6 billion and funds 630 discrete projects.
 - This CIP is the first under new General Manager Philip Eng. As such, he led an effort to review everything in previous CIPs and reallocate funding for stalled programs, or ones no longer needed.
 - This re-allocation moved funding around to support important new initiatives such as the Track Improvement Plan and vehicle procurements.

- One headline to note is that the State’s support for the MBTA’s infrastructure spending goes away to zero after FY29. After this, the T will be left with federal funds and its own resources. To support this, the T will borrow \$600m per year annually, which is insufficient but all the Authority can afford.
- The report also notes that there does not appear to be a unifying theme, narrative, or context for this CIP, seeming, instead, to be a listing of projects. Without this narrative, it is challenging to understand the Authority’s goals and objectives from this CIP.
- Commuter Rail is the largest single area of spending in the CIP, with a focus on vehicles. The second largest is Fare Transformation, which should be explained.
- Regarding Commuter Rail vehicles, there was some concern about the funds to overhaul legacy diesel locomotives.
- There are also concerned with the pace of building out maintenance facilities for Commuter Rail and bus, which seems to be an impediment towards meeting climate goals. The committee notes that this CIP includes millions to support the overhaul of CNG buses as opposed to replacing these with BEBs.
- In terms of funding type, most of the funding in this CIP goes towards the procurement, overhaul, and maintenance of bus and rail vehicles.
- The second largest spending type is on track, signal, power, and other ROW investments. This represents a focus on core infrastructure, which the committee supports.
- Within vehicles, the largest single expenditure is for the new Red and Orange Line cars, followed by new and overhauled commuter rail vehicles.



- In general, the Advisory Board wants to be supportive of MBTA transformation and its related other transformations such as Fare Transformation, Rail Transformation, Bus Transformation, etc. The Committee asks for assistance understanding the narrative behind what these dollars might achieve.
- There was concern that the CIP only funds \$843 million of the \$11 billion requested by MBTA departments for capital funding.
- Concerns also continue to exist on the MBTA's financial structure, wherein it must support its CIP from its operating budget.
- Given the lack of an overarching vision, the Committee offers for the Authority a draft vision of MBTA Transformation for its consideration.
- Presentation of the MBTA FY25 Operating Budget by MBTA officials, and discussion and action to refer it to the Operating Budget Oversight Committee with a charge to draft an oversight report and recommendation for the full Board's consideration.
- D. Salvucci asked about any plans to reduce potential interference between automobiles and light rail vehicles that share right of way. B. Kane mentioned that the City of Boston and MBTA are working to reduce mixing of rail and vehicles on Huntington Avenue, and that there are funds in this CIP to support this.
- Susan Barrett (Lexington) asked for boiler plate language to take to local Select Board's and legislators to support this CIP, the MBTA's overall funding needs, and ask them to support public transportation. Chair Kock suggested



that this needs to be addressed on both the Capital and Operating sides. A permanent fix is needed.

- Tom Skwierawski (Revere) thanked the committee for tis efforts, applauded its recommendation to consider the Blue Line extension to Lynn, and suggested that it also consider supporting the proposed development of a Commuter Rail station at Wonderland.
- Lenard Diggins (Arlington) asked about MBTA CIP scoring, and what their process may be. He wondered if the spending is matching the infrastructure’s needs? B. Kane answered that there is not a clear nexus between scoring and need, but more represents certain leader’s support. He also noted that the MBTA Board has been strongly asking what has not been funded and what is missing from this CIP.
- Dan Albert (Marblehead) thanked the committee for tis efforts.
- Mayor Koch mentioned that the Board’s role is to look critically at the T’s efforts, but also to ensure that it done in partnership. He praised GM Philip Eng for his efforts. Mayor Koch noted that no spending plan meets all needs, but that this plan is moving in the right direction. With that the Chair requested a motion.

Alan Slavin (Wareham) moved that the MBTA Advisory Board accept the FY25-29 MBTA Capital Improvement Program report from the Capital Budget Oversight Committee, and furthermore to authorize the Executive Director to transmit it to the MBTA Board of Directors in compliance with MGL ch161A sec. 5 (g) para. 8. Debra Roberts (Stoughton) seconded this motion, which as approved without objection.



D. MBTA FY25 Operating Budget: Joe Regan (MBTA) presented the MBTA FY25 Operating Budget:

- Mr. Regan noted that sales tax growth provided to the MBTA under Forward Funding failed to meet revenue expectations by billions of dollars. Additionally, legacy debts continue to drag the budget down.
- Going forward, ridership has not recovered on all modes, fare revenues are 59% of pre-pandemic levels. The projected deficit in FY26 is \$700 million.
- FY25 Operating Budget contains a structural deficit of \$300 million. To close this, the T plans to exhaust its rainy-day fund and find an additional \$93 million in internal savings. Other challenges in FY25 include funding the low-income fare implementation as well as the roll out of Fare Transformation, South Coast Rail and other expansions.
- FY25 revenue is expected to increase by \$200 million compared to FY24, mostly from state sources and rainy-day funds. Expenses are also expected to grow via the introduction of new programs, low-income fares, and other initiatives. Spending is up by 11%, mostly driven by wages and benefits, 99% of which are contractually driven.
- New deficit is \$307 million, closed from the deficiency fund and internal savings.
- Ridership and revenue have not returned evenly.
- Headcount is also growing. In FY25 the Authority expects to fill 1000 vacancies, which is a record.
- FY25 deficit is \$300 million, \$696 in FY26 million, \$740 million in FY27, \$782 million in FY28 and \$863 million in FY29.

- D. Roberts asked why ridership has not returned to pre-pandemic levels. J. Regan suggested that the paradigm shift in people working from home, as well as the MBTA's subway and bus service levels and delays are surely part of the reason why.
 - D. Roberts followed up questioning if the Operating Budget has sufficient borrowing capacity to meet its capital needs, especially in an era of high interest rates. J. Regan noted that the money used to plug the operating deficit in FY25 is comprised of funding from federal sources related to COVID-19 bail outs from the federal government. He noted that the Authority's ability to borrow is linked to the amount that the Operating Budget can repay.
 - S. Barrett asked where AFC 2.0 is funded from. J. Regan answered that it is funded from the services line item.
 - With all questions answered, the Chair requested a motion to refer the FY25 Operating Budget request to the Operating Budget Oversight Committee with a charge to review it, and report back to the Advisory Board at its next meeting with a recommendation. D. Salvucci made such a motion, which Greg Guimond (Marshfield) seconded. The motion was approved without objection and the matter was referred.
- E. Next Meeting:** B. Kane mentioned that the next date must be set, as the June 11 date will not work.
- F. Adjourn:** With all business transacted, Dan Albert (Marblehead) moved to adjourn, a motion which Dan Salvucci seconded. The meeting adjourned at 10:59AM.



Note: These minutes were approved by vote of the MBTA Advisory Board at its 6/6/24 meeting

Attendees

Abington		Easton		Manchester	
Acton	David Martin	Essex		Mansfield	
Amesbury		Everett	Jay Monty	Marblehead	Dan Albert
Andover		Fitchburg		Marlborough	
Arlington	Lenard Diggins	Foxborough		Marshfield	Greg Guimond
Ashburnham		Framingham		Maynard	Chet Osbourne
Ashby		Franklin		Medfield	
Ashland		Freetown		Medford	Breanna Lungo-Koehn Todd Blake
Attleboro		Georgetown		Medway	
Auburn		Gloucester	Greg Verga	Melrose	
Ayer		Grafton		Merrimac	Bill Andrulitis
Bedford		Groton		Methuen	
Bellingham		Groveland		Middleborough	
Belmont	Roy Epstein	Halifax		Middleton	
Berkley		Hamilton		Millbury	
Beverly		Hanover	Jim Hoyes	Millis	
Billerica		Hanson		Milton	
Boston	Matt Moran	Harvard	Bruce Leichter	Nahant	
Bourne		Haverhill		Natick	Morgan Griffiths
Boxborough		Hingham		Needham	
Boxford		Holbrook		Newbury	
Braintree		Holden		Newburyport	Sean Reardon
Bridgewater	Robert Rulli	Holliston		Newton	
Brockton	Alan Castaline	Hopkinton		Norfolk	Kevin Kulkut
Brookline		Hull		North Andover	
Burlington		Ipswich		N. Attleborough	
Cambridge	Andy Reker	Kingston		North Reading	Lillian Hatman
Canton	Chris Podgurski	Lakeville		Northborough	
Carlisle		Lancaster		Northbridge	
Carver		Lawrence		Norton	
Chelmsford		Leicester	Maria Cataloni	Norwell	Andy Reardon
Chelsea	John DePriest	Leominster		Norwood	Joe Collins
Cohasset	Corey Evans	Lexington	Susan Barrett	Paxton	
Concord	Mark Howell	Lincoln		Peabody	

Danvers		Littleton		Pembroke	
Dedham		Lowell		Plymouth	
Dover		Lunenburg		Plympton	
Dracut		Lynn		Princeton	
Duxbury	Brian Glennon	Lynnfield		Quincy	Thomas P. Koch Frank Tramontozzi
E. Bridgewater		Malden	Yem Lipp	Randolph	Brian Glennon
Raynham		West Newbury	James Blachford		
Reading		Westford			
Rehoboth		Westminster			
Revere	Tom Skwierawski	Weston			
Rochester		Westwood	Steve Olanoff		
Rockland		Weymouth	Owen MacDonald		
Rockport		Whitman	Dan Salvucci		
Rowley		Winchester			
Salem	Brendan Linardi	Wilmington	Frank West		
Salisbury		Winthrop			
Saugus		Woburn			
Scituate	Karen Calufield	Worcester	Todd Kirrane		
Seekonk		Wrentham			
Sherborn					
Shirley					
Shrewsbury					
Somerville					
Southborough					
Sterling					
Stoneham	Raymie Parker				
Stoughton	Debra Roberts				
Stow					
Sudbury					
Sutton					
Swampscott					
Taunton	Shaunna O'Connell				
Tewksbury					
Topsfield					
Townsend	Chaz Sexton-Diranian				
Tyngsborough					
Upton					
Watertown	Steve Magoon				
Wayland					
Wakefield					
Walpole				Other Attendees	
Waltham				Brian Kane	Executive Director

Wareham	Alan Slavin				
Wellesley	Colette Aufranc			Joe Regan	MBTA
Wenham				Max Nugell	MBTA
West Boylston					
W. Bridgewater				Dave Stevenson	CR Conductors
Westborough					