



Operating Budget Oversight Committee

MINUTES (DRAFT)

Monday, March 2, 2026

- A. Call to Order:** Chair Debra Roberts (Stoughton) called the committee to order at 10:03 AM via Zoom.
- B. FY'27 & FY'28 Outlook:** MBTA Chief Finance Officer Mary Ann O'Hara, MBTA Budget Director Joe Regan, and MBTA Deputy Budget Director Max Nugiel joined to update the committee on the MBTA's fiscal outlook.
- a Duncan Allen (Needham) asked if the MBTA could provide Revenue Vehicle Miles and Revenue Vehicle Hours data for each mode to help portray growth. Additionally, he asked if the MBTA would consider integrating those predications or goals into future Pro Formas. J. Regan answered that they would follow up with all metrics they can provide. Additionally, he answered that the Pro Forma is viewed as a steady state analysis assuming current service levels. D. Allen suggested that in the instance of known expansion projects such as South Coast Rail, this might be a beneficial metric to include in budget projections.
 - b D. Roberts thanked J. Regan for the presentation and asked for further clarification on the relationship between the sales tax and operations funding. J. Regan answered that in an ideal world, the MBTA's expense

- growth would be capped at the sales tax growth because the MBTA has to pass a balanced budget each year with the legislature supporting any additional growth for expansion or safety projects. There is little relationship between sales tax growth and ridership as the sales tax is the MBTA's revenue floor and ridership fluctuates for a variety of reasons. However, as other revenue comes in, such as Fair Share tax money, that can be translated into service and ridership improvements. Brian Kane (Executive Director) added that this disconnect suggests that the MBTA is expected to increase its footprint without any expansion of revenue sources. For example, GLX and South Coast Rail respectively cost several \$10s of million to operate over fare revenue. J. Regan also answered that there is a correlation between more revenue invested and increased ridership. Without increased operations staff, service cannot expand.
- c B. Kane commented that the metrics of success and analysis of how investments have improved service are invaluable to the MBTA's story and addressing calls for austerity. He asked for the MBTA to provide any similar analysis to assist the Advisory Board in illustrating the importance of continued investment. M. O'Hara added that the MBTA's fare recovery ratio currently is 20%, meaning 80% is subsidized. The amount proposed in the Governor's budget is not guaranteed and any future cuts would be harmful to the MBTA's ability to maintain this service. M. O'Hara highlighted the projected decreases in expense growth as the safety and staffing issues are resolved with the next few years and emphasized the

degradation of the service prior to the arrival of General Manager Phil Eng. J. Regan and B. Kane cited the FTA's 2021 report which outlined this. M. Nugiel thanked the committee for their attention to the MBTA's story and emphasized the need for a rebranded perception of how prices and expenses work, considering the growth of inflation, additional legislative mandates, and underperforming tax revenue.

- d B. Kane commented that the MBTA is financially secure through FY27 and this is the first time that the MBTA has not been in immediate fiscal crisis. He asked what assumptions are baked into the projection and are they achievable. M. O'Hara answered that the savings targets are achievable in FY2027, but more cautious in FY2028. The MBTA is prioritizing bringing work inhouse which allows for significant savings, but long-term stability relies on reformed funding from the state level to address the underperforming revenue sources. J. Regan added that the amount of savings that can be identified in each fiscal year is finite because these efficiencies can't be realized again each year.

C. Old Business/New Business: B. Kane outlined the schedule for committee review in June.

D. Next Meeting Dates: May 5, 2026 at 10:00 AM.

E. Adjourn: Chair D. Roberts closed the meeting at 10:49 AM.



Attendees:

Committee:

Natick
Needham
Quincy
Stoughton

Morgan Griffiths
Duncan Allen
Frank Tramontozzi
Debra Roberts

MBTA

Mary Ann O'Hara
Joe Regan
Max Nugiel

MBTA
MBTA
MBTA

MBTA Advisory Board Staff:

Brian Kane
Hanna Switekowski
Isabella MacKinnon

Executive Director
Deputy Director
Budget & Policy Analyst