



Charles D. Baker, Governor
Karyn E. Polito, Lieutenant Governor
Stephanie Pollack, MassDOT Secretary & CEO
Frank DePaola, General Manager
Brian Shortsleeve, Chief Administrator



Fiscal and Management Control Board

October 5, 2015
MassDOT Boardroom
10 Park Plaza, Suite 3830
Boston, MA

MEETING MINUTES

Members: Chairman Joseph Aiello, Director Lisa Calise, Director Brian Lang, Director Steven Poftak, and Director Monica Tibbits-Nutt

Present: Chairman Joseph Aiello, Director Lisa Calise, Director Brian Lang, Director Steven Poftak, and Director Monica Tibbits-Nutt

Quorum Present: Yes

Other Participants: Frank DePaola, Brian Shortsleeve, John Englander, Owen Kane,

PROCEEDINGS:

Call to Order by Chairman Aiello

The Chair called the meeting to order of business at 1:00pm.

The Chair opened up the meeting for public comment.

The first speaker was Steve Kaiser. Mr. Kaiser commented on Agenda Item number 4, revenue from advertising. He also commented on Agenda Item number 5, the key performance indicator for workforce.

The next speaker was Louise Baxter from the TRU. Ms. Baxter comments concerned on-time-performance for buses.

PROCEDURAL ITEMS

Next was the approval of the minutes for the September 21, 2015 and September 28, 2015 meetings.

On motion duly made and seconded, it was;

VOTED: to approve the minutes of the September 21, 2015 meeting.
VOTED: to approve the minutes of the September 28, 2015 meeting.

PRESENTATIONS/DISCUSSION

Next Chairman Aiello asked Chief Administrator Brian Shortsleeve to give his report. Mr. Shortsleeve wanted to update the board on some issues before he addressed the first agenda item regarding advertising. He noted the bond deal was priced last week at 3.72% and scheduled to close October 15, 2015. Regarding the Bus RFI, Mr. Shortsleeve said there was a very strong response of bids coming in and the due date was extended to October 16 because of the high level of interest. The last issue Mr. Shortsleeve wanted to address was the December 15th report due to the Legislature. Mr. Shortsleeve said he intended to work closely with each board member and their working threads to make sure he understood exactly what the board wanted in the report, and that the production would be starting quickly. Before he moved on to the discussion of own-source revenue and advertising, Mr. Shortsleeve asked General Manager Frank DePaola to give his GM's report.

Mr. DePaola began by showing a slide of the Malden Train Station sinkhole adjacent to the Orange Line track caused by the erosion of a 100 year-old storm drain. He updated the board on the emergency situation and repairs and said he planned to inspect sewer pipes and storm drains that pass under the MBTA's right-of-way to see if repairs were needed to prevent another incident from happening, even though the infrastructure does not directly belong to the MBTA.

Next Mr. DePaola updated the board on the Rail Roadeo that took place at the Riverside Maintenance Facility on Saturday, October 3. The winner of the Roadeo was Adelaide Dos Santos, a Green Line Streetcar Motorperson, and she will be joining the winner of the Bus Roadeo at the APTA Roadeo in Utah later this year.

Next, Chief Administrator Shortsleeve discussed Item # 1, the full potential for own-source revenue and the advertising policy. The good news is that advertising revenue has been strong and growth has been good, and September 2015 was a record month for the MBTA, but the bad news is that we're below our full potential. Mr. Shortsleeve explained what 'full potential' is and over time with the Board will quantify some of the pieces of the advertising policy and the way the T approaches this policy. One of the categories he will be focusing on is advertising alcohol which is currently banned by the MBTA. Mr. Shortsleeve introduced Rose Yates, Assistant General Manager for Customer Communications and Marketing and manager of the Titan contract, our partner in advertising. Ms. Yates went through the presentation and discussed the recent trends in advertising. She noted the MBTA challenged Titan to propose a strategy to double their revenue by FY'17 and discussed the proposed pathway Titan plans to take to meet the challenge.

Next, Director Lang discussed Item #5, the key performance indicator for the workforce thread. Director Lang said Jessie Saintcyr and her team would be addressing follow-up items from the last workforce presentation. Jessie Saintcyr, Assistant Secretary of Human Resources, began the presentation with an update of

the FMLA process and the Absence Management Program. Ms. Saintcyr said HR engaged the law firm of Morgan, Brown and Joy to assist with the review, assessment and training of staff, and will be hiring permanent staff that can support employees and do case management and implement the policies recommend by the leave management consultant. Director Calise asked for a copy of the consultant's report and Ms. Saintcyr assured her once it is ready the Board would be given the report. Chairman Aiello asked if there was data from other transit authorities that HR could use as benchmarks and compare statistics, and Ms. Saintcyr said it was very difficult to gather information because most authorities do not report the usage of FMLA.

Vincent Reina, Director of Employee Availability continued the presentation and updated the board on overtime utilization and cost factors and discussed the difference between absence driven overtime and non-absence overtime. Paul Andruszkiewicz, Senior Director of Human Resources detailed the capital employee transfer, and Gary Foster, CIO gave an overview of HR technology, and a snapshot of the antiquated systems that are currently in use by the MBTA to manage people.

Next, Jerry Polcari, Chief Procurement Officer discussed item #6, a request to purchase 44 new 60 foot low-floor hybrid buses. Currently, the Neoplan CNG buses need to be replaced because they have reached the end of their expected lifespan; they were not subject to a mid-life overhaul at the six-year point under the previous administration and were not part of the State of Good Repair program.

The invitation for the bid (IFB) went out on March 26, 2015 and New Flyer, Inc. was the only bidder. The MBTA received a letter from Nova Bus but that company did not bid because they prefer an RFP format to an IFB and pulled out the closing date of the bid. Director Lang asked Mr. Polcari to explain the difference between the two, and Mr. Polcari said with an RFP the company can swap out parts that don't cost that much, whereas with an IFB no alternatives are offered or accepted, so the cost goes higher to the vendor. Director Poftak asked why there were not multiple bidders, and Bill Wolfgang, Director of Vehicle Engineering explained there are only two companies based in the US that manufacture 60-foot hybrid buses, New Flyer and Nova. If the MBTA went to an RFP format, Nova most likely would have bid. Jeff Gonnevill, COO, said because the CNG buses have to be pulled off the roads by 2017, the RFP process would have been much longer because of the technical specifications of the busses. Director Poftak said that because the CNG tanks are expiring and there wasn't a mid-life overhaul, he felt this was the second procurement the Board was voting on under duress with no long-term strategic plan for the bus fleet. Jeff Gonnevill agreed and said the decision by the authority not to do an overhaul on the buses was driven solely by funding. Mr. Gonnevill said this will be the last procurement that the board will have inherited and the last procurement to be voted on under duress. On motion duly made and seconded, it was:

Voted: That, subject to the approval of the Massachusetts Department of Transportation, and the completion of FTA Pre Award Buy America audit requirements, the General Manager be, and he hereby is, authorized to execute a formal contract, in a form approved by the Board of Directors, with New Flyer, Inc. for the Procurement of 44 New 60FT Low Floor Hybrid buses in accordance with Technical Specification No. VE15-043 at a total not to exceed delivered cost of \$52,609,920.

Next, GM Frank DePaola introduced Jody Ray, Assistant General Manager for Commuter Rail operations who discussed item #7, the revised commuter rail schedules.

After motion duly made and seconded,

VOTED: To adjourn and enter into Executive Session.

DOCUMENTS RELIED ON IN THE MEETING:

Advertising PP presentation
Workforce Thread Update PP presentation
60-Ft. Low-Floor Hybrid Bus Procurement PP Presentation
Staff Summary for 44 New Low Floor 60ft Hybrid Buses
Slide of sink-hole at Malden Station