



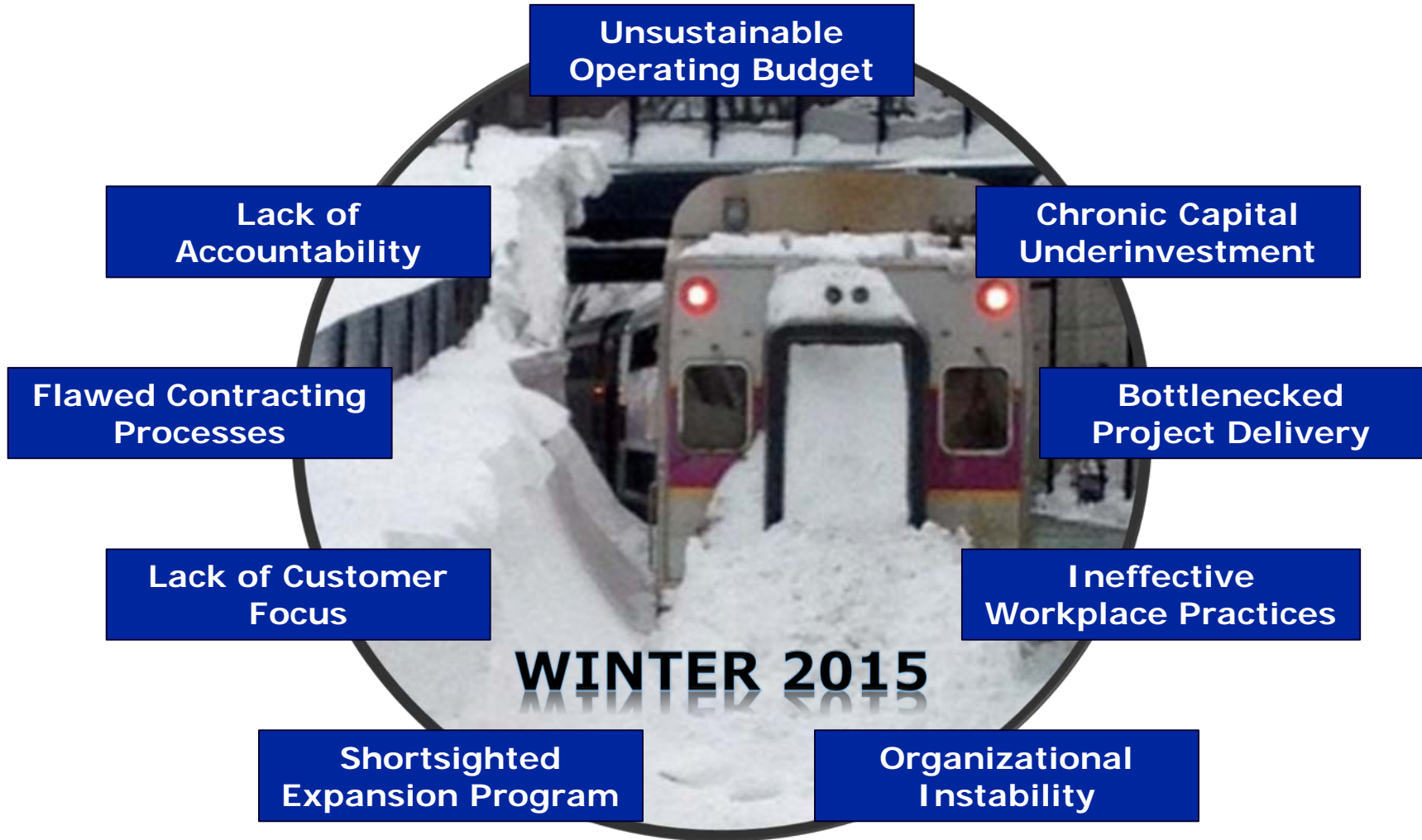
**Massachusetts Bay
Transportation Authority**

ACEC/MA State Markets Conference

April 6, 2017



Governor's Special Panel On MBTA – April 2015 Findings





Winter Storm NIKO (Feb 9): New Gas Heating System for 50+ Priority Rails Kept Switches Functioning

Old Electric Heating



- Older electric heaters take longer to heat up and allow snow and ice to accumulate

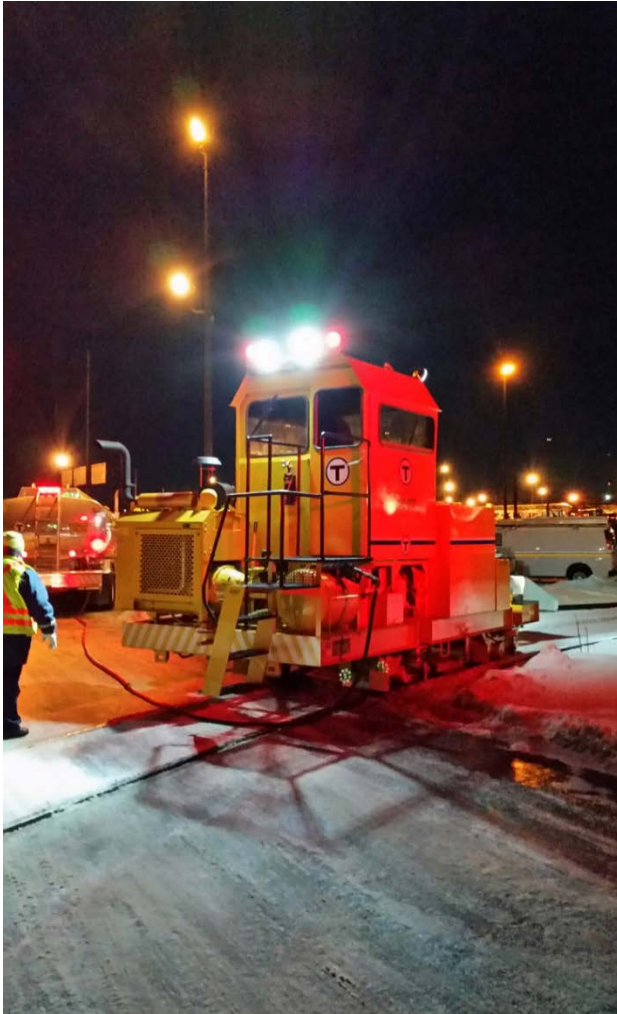
New Gas Heating



- New gas heaters blow warm air continuously keeping switches clear



Winter Storm NIKO (Feb 9): Snow Fighting Equipment (Snowzillas) Running on Red and Orange Line





Winter Storm STELLA (March 14): MassDOT and MBTA represented at MEMA bunker during winter events



- During storms / special events, **MEMA State EOC** is activated with state agency liaisons and utilities
- **MassDOT and MBTA** are represented “Emergency Support Function (**ESF**) **1** - Transportation”
- During Winter Storm STELLA, National Grid power outage disabled Orange Line signals from Malden to Assembly
- ESF1 desk worked with National Grid to prioritize impact circuits and **restored power in less than 1 hour** (from original estimate of 9 hours)



MEMA

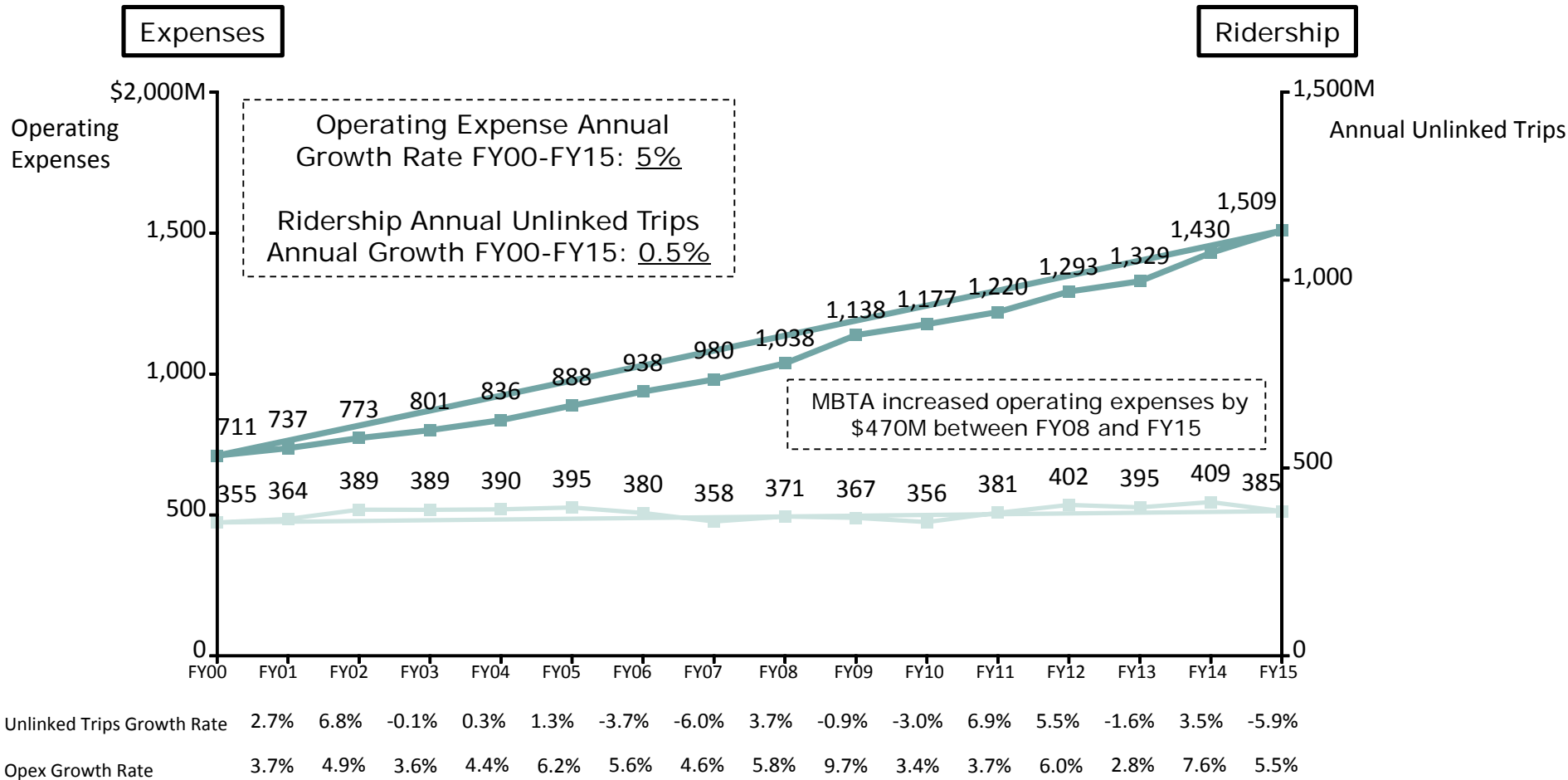
nationalgrid

EVERSOURCE



The fiscal challenge: Operating expenses not controlled

Costs rose 10x as quickly as ridership

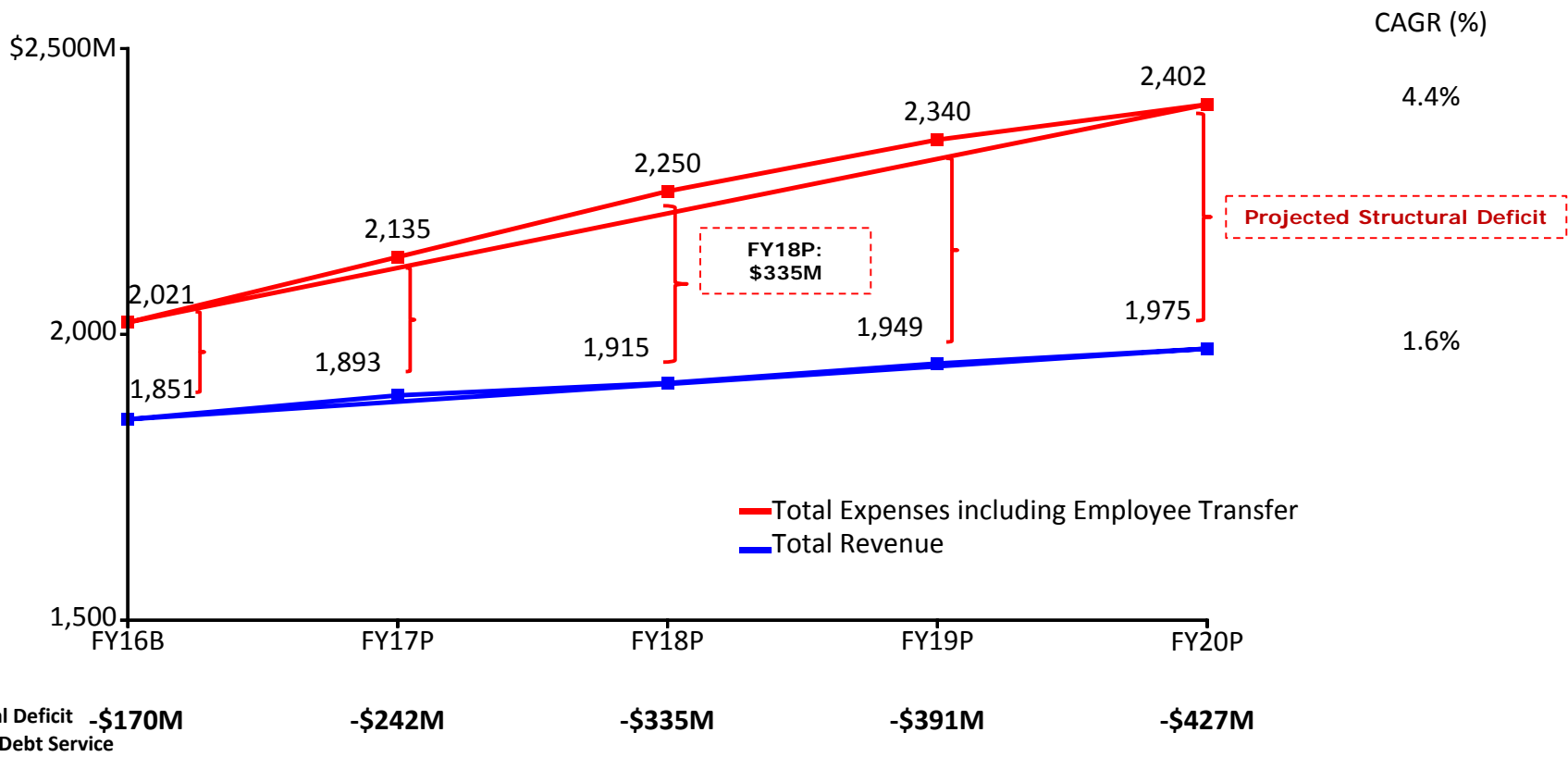


NOTE: FY14 and FY15 unlinked trip are internal MBTA figures and subject to revision.



With expenses growing 3x faster than dedicated revenues, operating deficit was forecast to reach \$400M by FY20

STATUS QUO FY17: 20 PRO FORMA
July 2015



Note: Structural deficit includes debt service and transferred capital employees annual expense, does not include Additional Assistance



FMCB Goal: Deliver a Balanced MBTA Operating Budget

Under Section 203 of Chapter 46 of the Acts of 2015, the FMCB may:

“Establish 1- and 5-year operating budgets, beginning in fiscal year 2017, which are balanced primarily through a combination of internal cost controls and increased own-source revenues”



Putting MBTA on path to fiscal sustainability

Management Actions – FMCB first 18 months

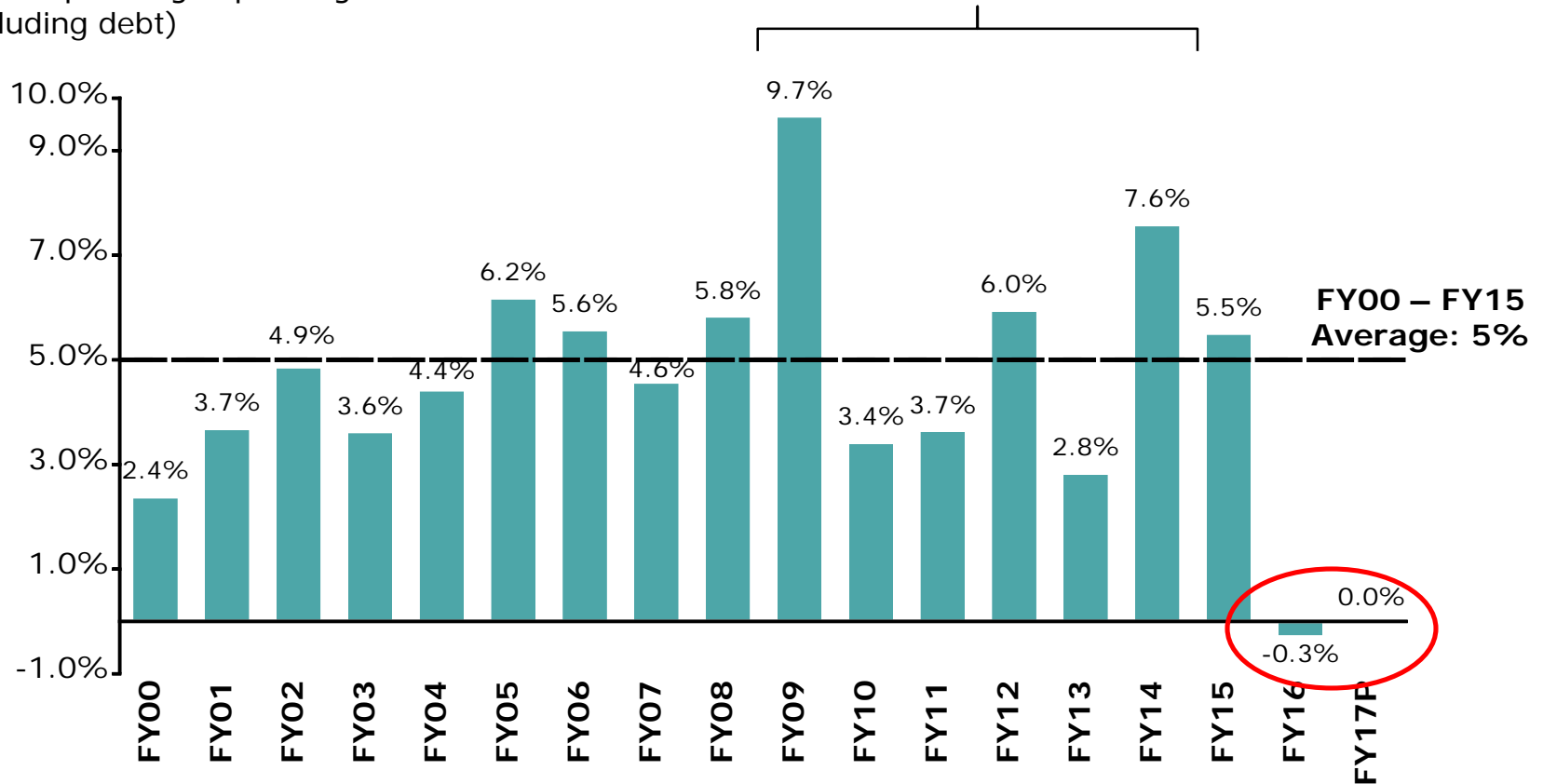
- ✓ Introduced monthly financial targets and manager accountability
- ✓ Moved MBTA onto statewide contracts and payroll system
- ✓ Streamlined corporate HQ/admin positions with 30% reduction
- ✓ Strengthened and enforced overtime and attendance policies
- ✓ Modernized cash-handling & warehouse through contracting
- ✓ Restructured Carmen's Union contract work-rules and wage rates
- ✓ Launched Uber/Lyft and Taxi paratransit pilots
- ✓ Restructured and refinanced debt portfolio; locked electricity rates
- ✓ Rebid parking/advertising and raised system-wide fares
- ✓ \$100M invested in winter resiliency / \$140M in capital lock-box



Early results positive: Operating expenses growth lowest in 15 years

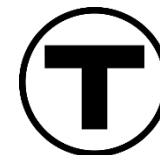
Annual operating expense growth rate
(excluding debt)

Incremental operating expense FY08 – FY15: \$471M



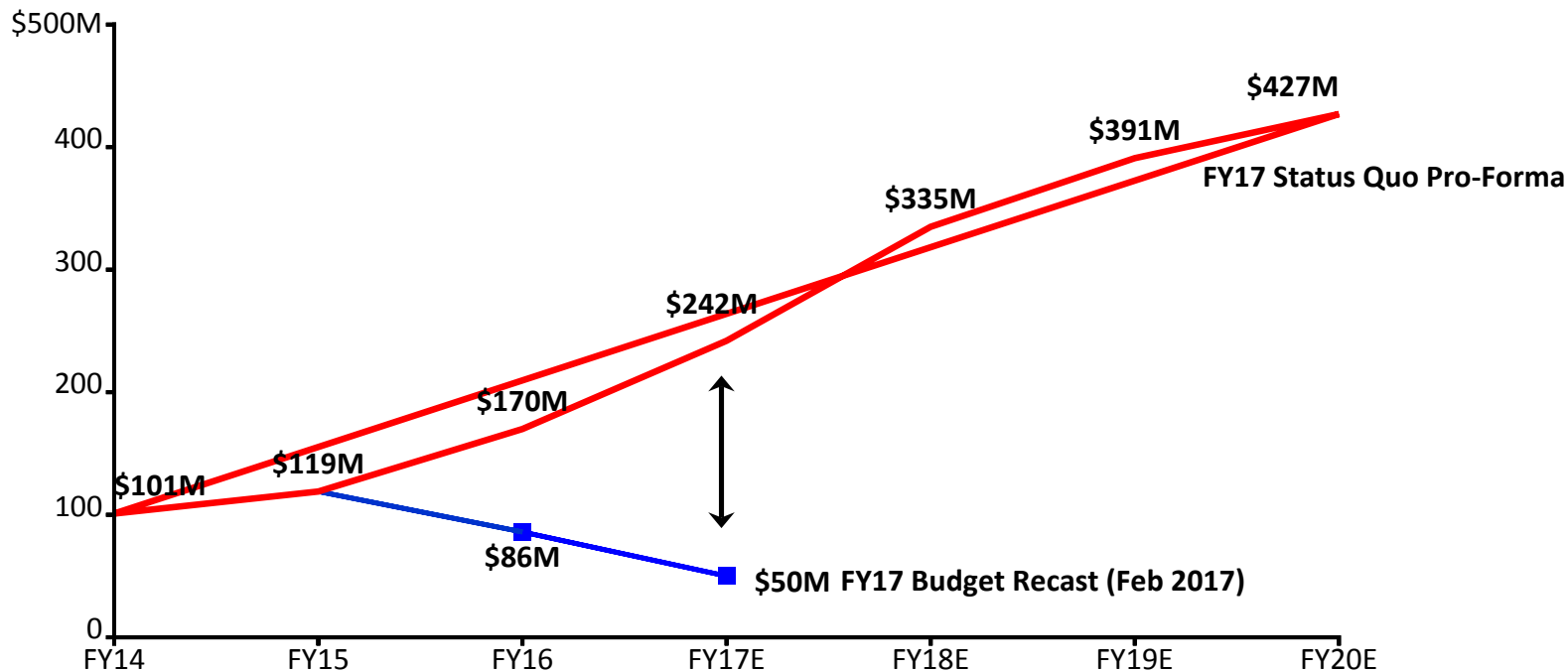
Note: For comparative purposes, FY17 core operating expenses do not include new Amtrak/PRIAA expenses or capital employees transferred in FY17

Note: Energy costs forecast to be \$8M less in FY17 than in FY16



Early results positive: FY17 projected operating deficit reduced to \$50M

Structural deficit

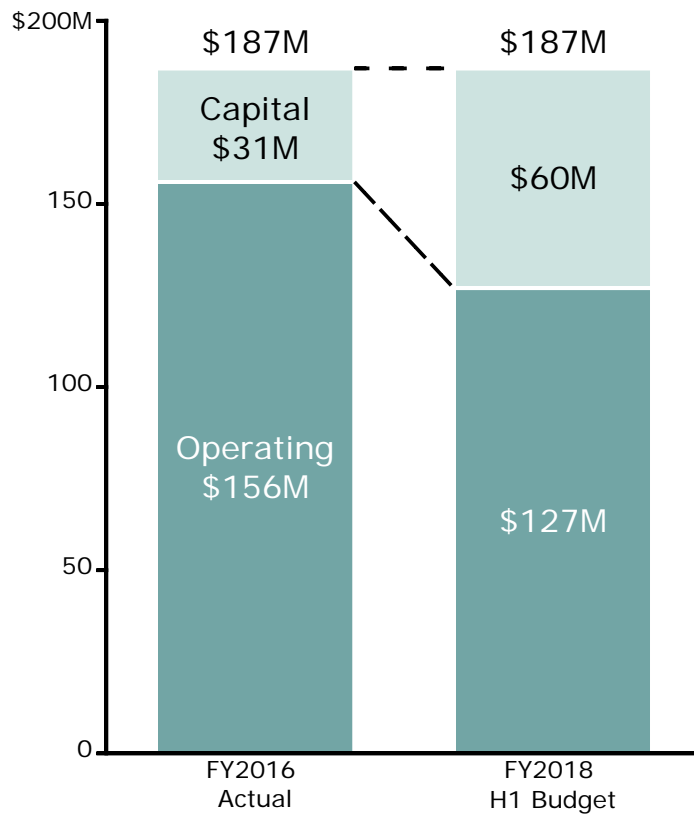


Source: MBTA management in process of recasting FY18-FY20.
Operating Deficit does not include additional state assistance of \$155M in FY16 or \$187M FY17 (forecast)



FY2018 House 1 Budget: MBTA to receive \$187M in additional state assistance (\$127M operating / \$60M capital)

Additional State Assistance

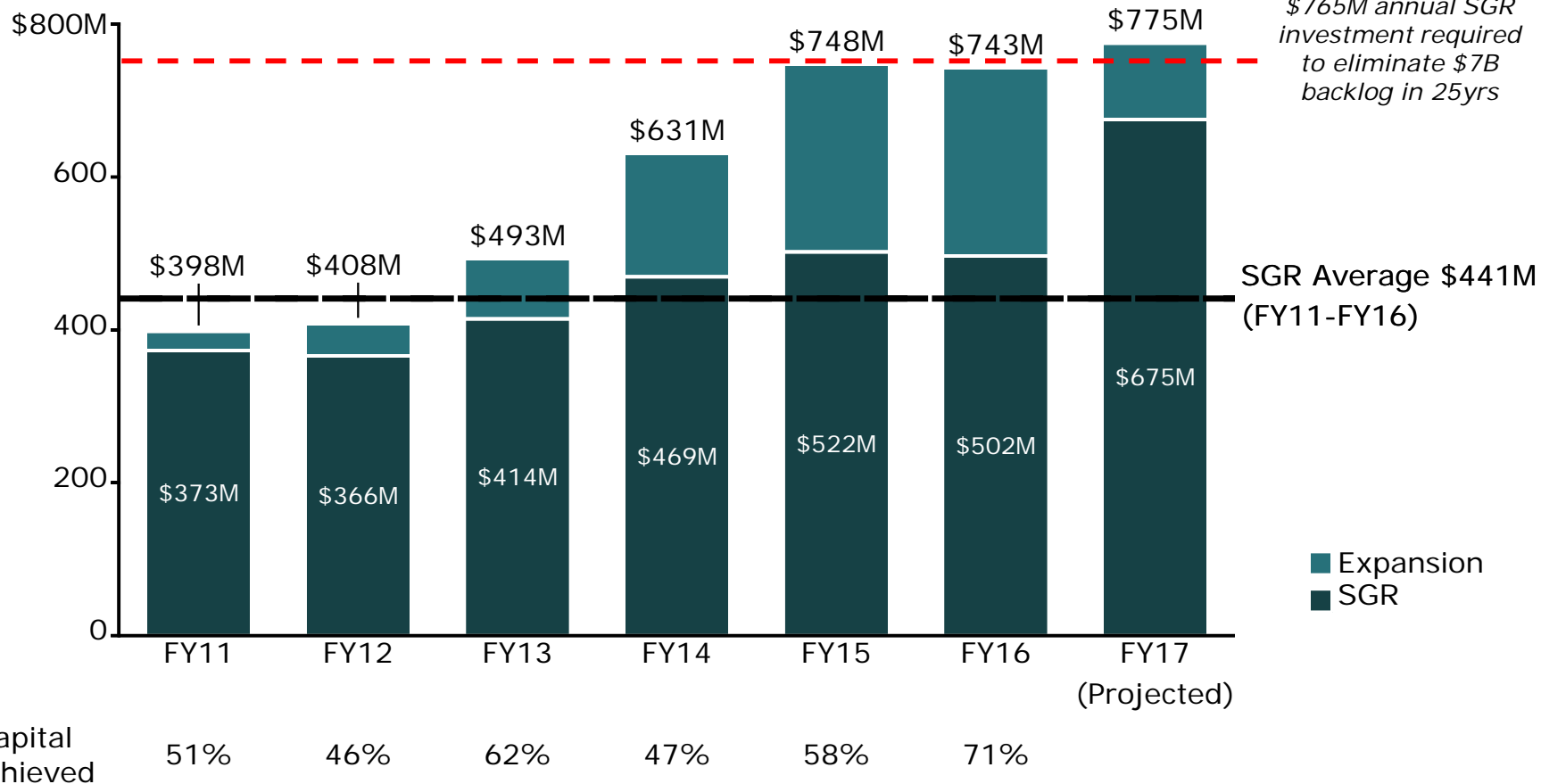


- Governor’s budget recommends MBTA receive \$187M in additional state assistance in FY18
- \$187M matches the total commitment in FY16 and FY17
- **MBTA will receive the \$187M in two segments:**
 - **\$127M in direct assistance for the operating budget**
 - **\$60M for FY18 state capital budget for the Capital Maintenance Lock Box**
- MBTA management believes the \$127M in operating fund assistance will be sufficient to cover any operating budget deficit in FY18
- Management plans to use a portion of those operating funds for capital projects as the MBTA’s fiscal outlook continues to improve



MBTA Has Under Invested in State of Good Repair (SGR)

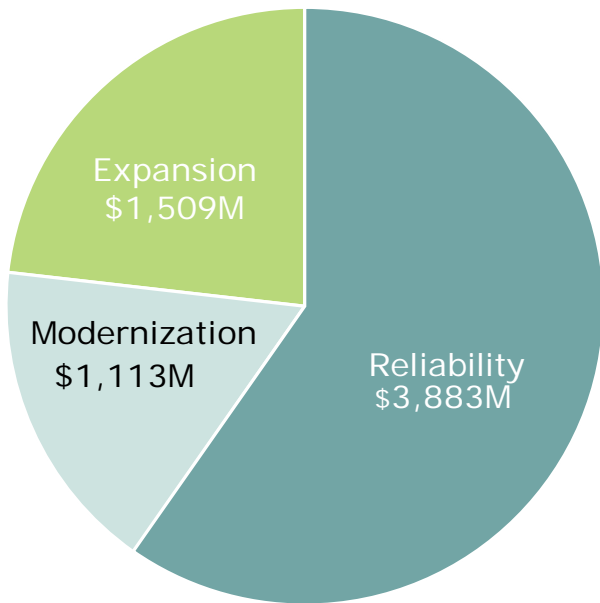
MBTA Capital Spending





MBTA Capital Spending by Priority

FY17-FY21



■ Reliability
 ■ Modernization
 ■ Expansion

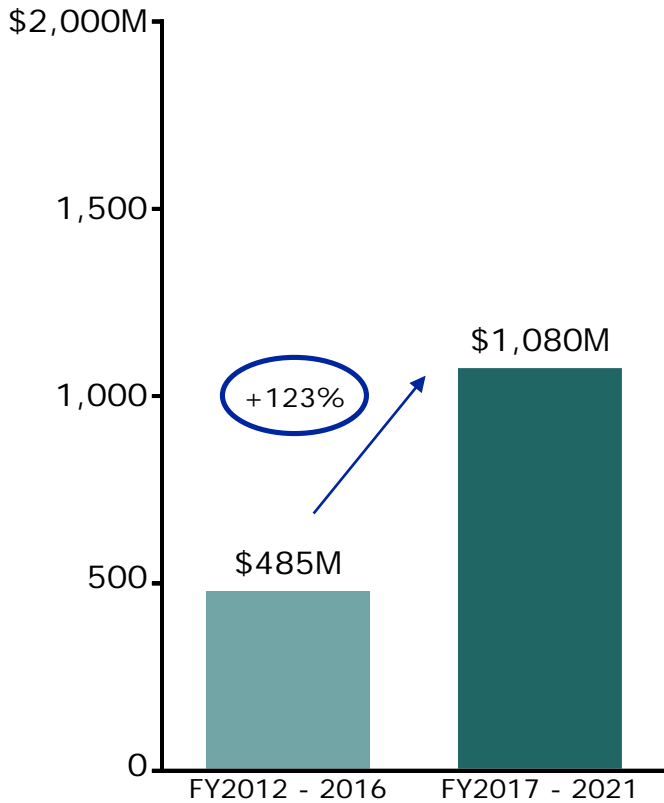
SGR = \$4,995.8M
(Reliability + Modernization)

(\$millions)	FY17-FY21 CIP
Reliability	\$3,883.3
Modernization	\$1,112.5
Expansion	\$1,508.8
Total	\$6,506.6

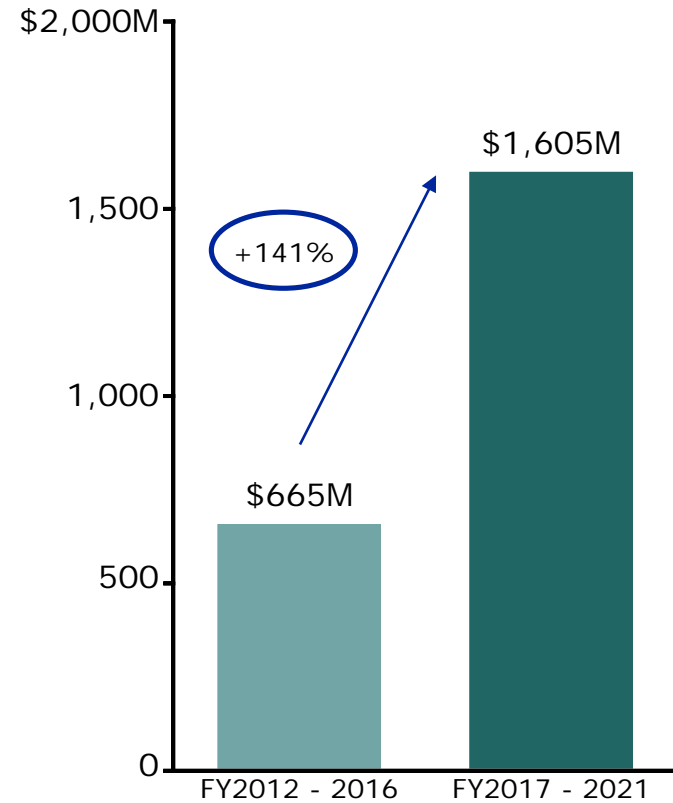


5YR Capital Plan doubles investment in track, power, signals and vehicles

Track, power, and signals spending



Revenue vehicle spending



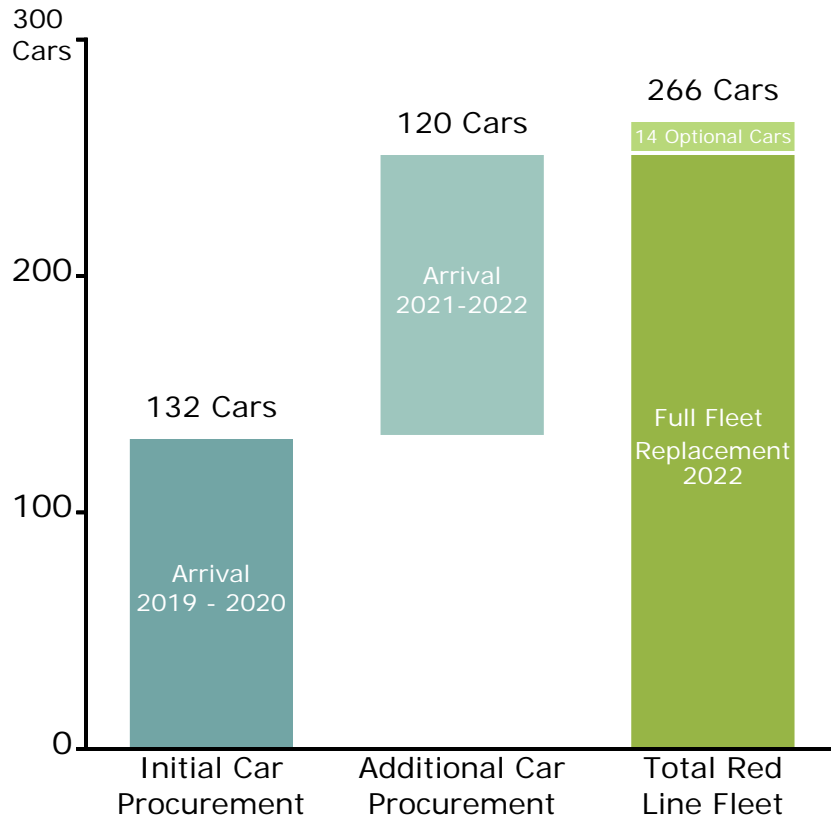
Source: DOT and MBTA internal estimates of available sources and applicable uses; Division initial estimates of program sizes

Draft for Discussion & Policy Purposes Only



Full Red Line fleet replacement positions the MBTA for long-term success

Red Line Fleet CRRC Procurement



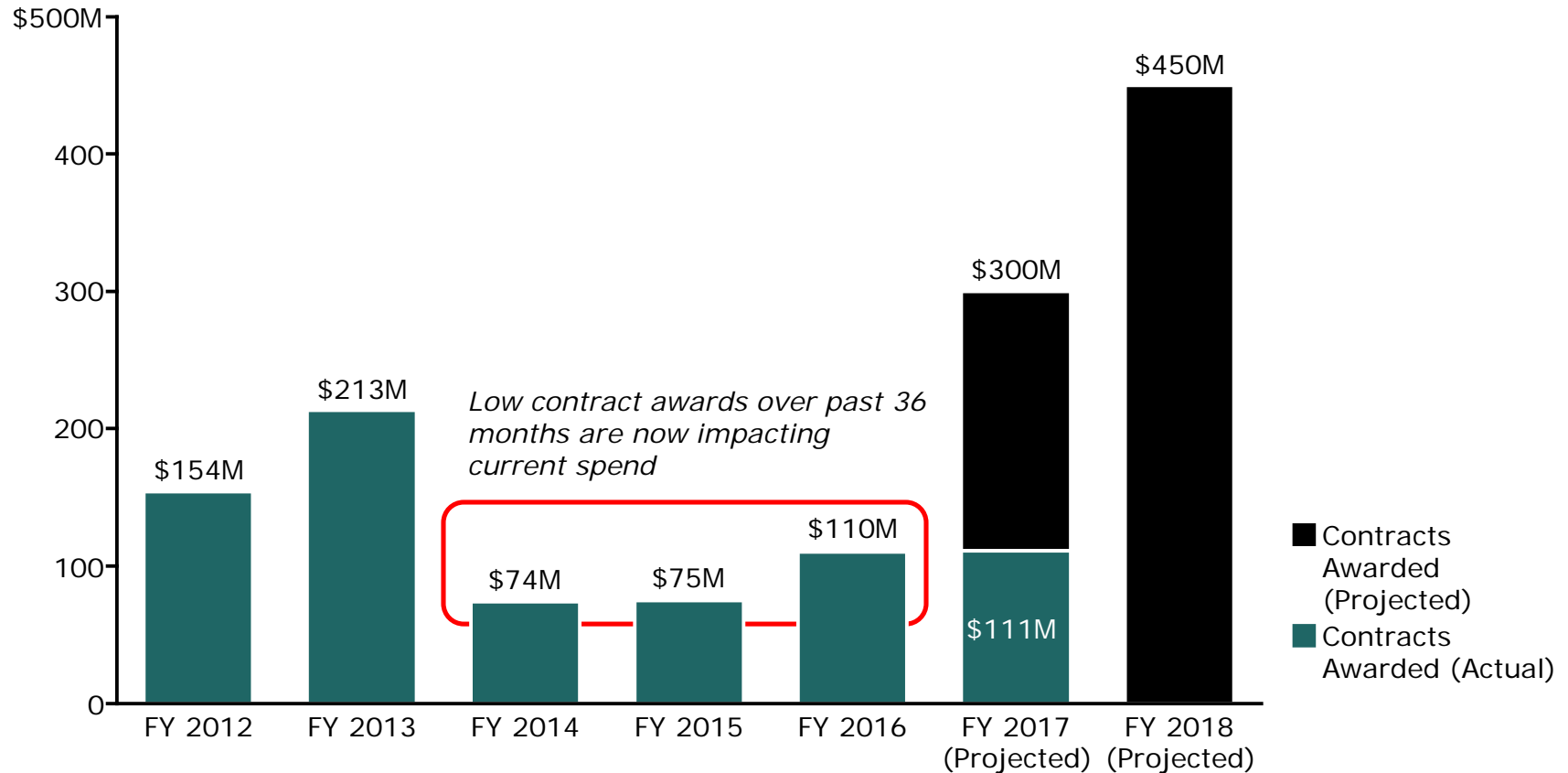
Red Line Subway Car

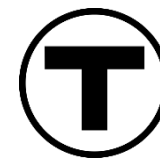




Increase SGR Construction Contract Awards

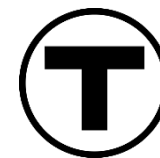
Dollar Value of Contracts (\$M)





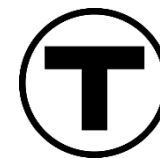
Upcoming Construction Contract Awards

Project	Engineer's Estimate	Projected Adv. Date	Projected Bid Date	Projected NTP
Alewife Replacement Elevators	\$5.4M	1/19/17 (Actual)	2/22/17 (Actual)	April 2017
Bridge Repairs Contract	\$10.0M	2/16/17 (Actual)	3/16/17 (Actual)	April 2017
Shawsheen River Bridge	\$2.0M	3/10/17 (Actual)	April 2017	June 2017
Orange Line Test Track at Wellington Yard	\$5.0M	3/24/17 (Actual)	April 2017	June 2017
Wellington Maintenance Facility	\$82.5M	3/23/17 (Actual)	April 2017	June 2017
Central Square and Harvard Station Elevators	\$8.0M	3/24/17 (Actual)	April 2017	June 2017
45 High St. IT Data Center	\$6.7M	3/30/17 (Actual)	April 2017	June 2017
Pawtucket Layover Facility Upgrades	\$3.2M	3/31/17 (Actual)	April 2017	June 2017
Neponset River Bridge	\$5.0M	April 2017	May 2017	July 2017
East Street Bridge	\$17.2M	April 2017	May 2017	July 2017
Wollaston Station Improvements & Quincy Garage Demolition	\$63.1M	April 2017	May 2017	July 2017
South Shore Garages	\$73.0M	April 2017	May 2017	July 2017



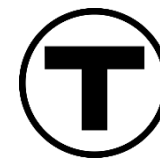
Upcoming Construction Contract Awards (2)

Project	Engineer's Estimate	Projected Adv. Date	Projected Bid Date	Projected NTP
Parking & Paving On-Call	\$30.0M	April 2017	May 2017	July 2017
Ruggles Station Improvements	\$22.0M	April 2017	May 2017	July 2017
Charlestown Bus – Alford Street Seawall Rehab	\$40.0M	April 2017	May 2017	July 2017
Gloucester Drawbridge	\$50.0M	May 2017	June 2017	August 2017
Red Line Test Track	\$26.0M	May 2017	June 2017	August 2017
Transit Tie Replacement On-Call	\$15.0M	May 2017	June 2017	August 2017
Orange Line Direct Fixation – SW Corridor	\$15.0M	May 2017	June 2017	August 2017
Green Line Grade Crossing	\$15.0M	May 2017	June 2017	August 2017
Commuter Rail Track, Ties, and Switches On-Call	\$30.0M	May 2017	June 2017	August 2017
Commuter Rail Culverts, Bridges, and ROW On-Call	\$20.0M	May 2017	June 2017	August 2017
Orange Line Tunnel Repairs	\$40.0M	June 2017	July 2017	September 2017
Facilities On-Call – Contract 2	\$15.0M	July 2017	August 2017	October 2017



Upcoming Construction Contract Awards (3)

Project	Engineer's Estimate	Projected Adv. Date	Projected Bid Date	Projected NTP
Silver Line Gateway Phase II	\$22.5M	August 2017	September 2017	November 2017
Trackless Trolley – Cambridge, Watertown, Belmont	\$35.0M	October 2017	November 2017	January 2018
Fenway Portal Flood Protection	\$22.0M	October 2017	November 2017	January 2018
Wellington Yard Zones A-B	\$35.0M	October 2017	November 2017	January 2018
Cabot Yard Zones A-C	\$40.0M	October 2017	November 2017	January 2018
Cabot Maintenance Facility	\$67.0M	December 2017	January 2018	March 2018
Iron Horse Park North Side Operations Center	\$15.0M	January 2018	February 2018	April 2018
Winchester Station Improvements	\$25.0M	February 2018	March 2018	May 2018
North Station Terminal Signal Improvements	\$25.0M	March 2018	April 2018	June 2018
Wellington Yard State of Good Repair	\$120.0M	TBD	TBD	TBD
Cabot Yard State of Good Repair	\$135.0M	TBD	TBD	TBD
Red Line / Orange Line Remaining Signal Upgrades	\$80.0M	TBD	TBD	TBD



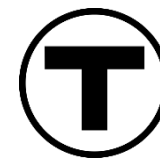
Ongoing and Anticipated Design-Build Procurements

Project	Engineer's Estimate	RFLOI	RFQ	Selection	NTP
AFC 2.0 Installation	\$49.0M	11/15/16	12/22/16	August 2017	November 2017
Red Line / Orange Line Signal Upgrades	\$185.0M	2/24/17	April 2017	November 2017	December 2017
Bridge Bundling (6 Bridges)	\$100.0M	May 2017	June 2017	February 2018	April 2018
Draw 1 Bridge Replacement	\$100.0M	TBD	TBD	TBD	TBD
Green Line Signal Upgrades	\$100.0M	TBD	TBD	TBD	TBD



Ongoing and Anticipated Consultant Procurements

Project	Estimated Value	Projected Adv. Date
On-Call Project Development and Design Review Services (3)	\$3M	February 2017
On-Call Cost Estimating and Scheduling Services (3)	\$1M	February 2017
On-Call Climate Change Resiliency GEC (3)	\$1M	March 2017
On-Call Program Management / Construction Management GEC (3)	\$15M	March 2017
On-Call CM Support for Resident Engineering, Inspection, & Construction Phase Services (5)	\$3M	April 2017
On-Call Transit Oriented Development (TOD) Services (3)	\$2M	April 2017
On-Call Garages /Parking GEC (3)	\$5M	April 2017
On-Call Safety Department GEC (3)	\$3M	April 2017
On-Call Stations / Facilities GEC (3)	\$5M	May 2017
Green Line Stations Improvements PM/CM	TBD	May 2017
On-Call Infrastructure / ROW Transit & Commuter Rail GEC (3)	\$5M	May 2017
On-Call Audit Services for Capital Delivery Contracts (4)	\$2M	May 2017



Ongoing and Anticipated Consultant Procurements (2)

Project	Estimated Value	Projected Adv. Date
On-Call Owner's Representative GEC (3)	\$3M	June 2017
Longfellow Approach and MGH Station Upgrades	TBD	June 2017
On-Call Tunnel Inspection/Repairs Services (3)	\$5M	June 2017
On-Call Bridges/Tunnels GEC (3)	\$5M	September 2017
On-Call Vertical Transportation Elevator Phase II (3)	\$10M	September 2017
Symphony Improvements 30% Design - CPS	TBD	September 2017
Forest Hill Station Accessibility Improvements Design and Construction Phase Services	\$5M	October 2017
On-Call Bridge Inspection / Rating / Repairs (5)	\$5M	October 2017
Red Line / Orange Line Connection at Downtown Crossing (Full Station Upgrade)	\$10M	November 2017
Lynn Garage Improvements Design and Construction Phase Services	TBD	TBD
Alewife Garage Improvements Design and Construction Phase Services	TBD	TBD
Boylston Station Improvements Design and Construction Phase Services	TBD	TBD
Green Line Signal Upgrades Program Management/Construction Management Services	TBD	TBD