



**Massachusetts Bay
Transportation Authority**

ACEC/MA Transportation Update

September 27, 2018



FY18 Operating Budget

- **First balanced operating budget since FY08**
 - FY18 achieved FMCB goal that total revenues cover total operating expenses (including debt service)
 - 30% achieved through revenue growth and 70% through cost controls
 - Enables entire \$127M in Additional State Assistance to be used for “Pay-Go” Capital (total Additional Assistance including capital transfer is \$187M)
- **Increased own-source revenues primary driver of revenue growth**
 - Total revenue increased 5% (\$90M) over last year and 12% (\$212M) since FY15
 - Own-source operating income (advertising, parking, real-estate) more than doubled from FY15 to \$88M in FY18 primarily due to contract transitions
- **Core operating expense growth held flat for third straight year**
 - Operating expenses controlled by active management of materials & services, favorable CBA terms & renegotiation of existing vendor contracts
- *Results are draft pending audit by KPMG; no material adjustments expected*

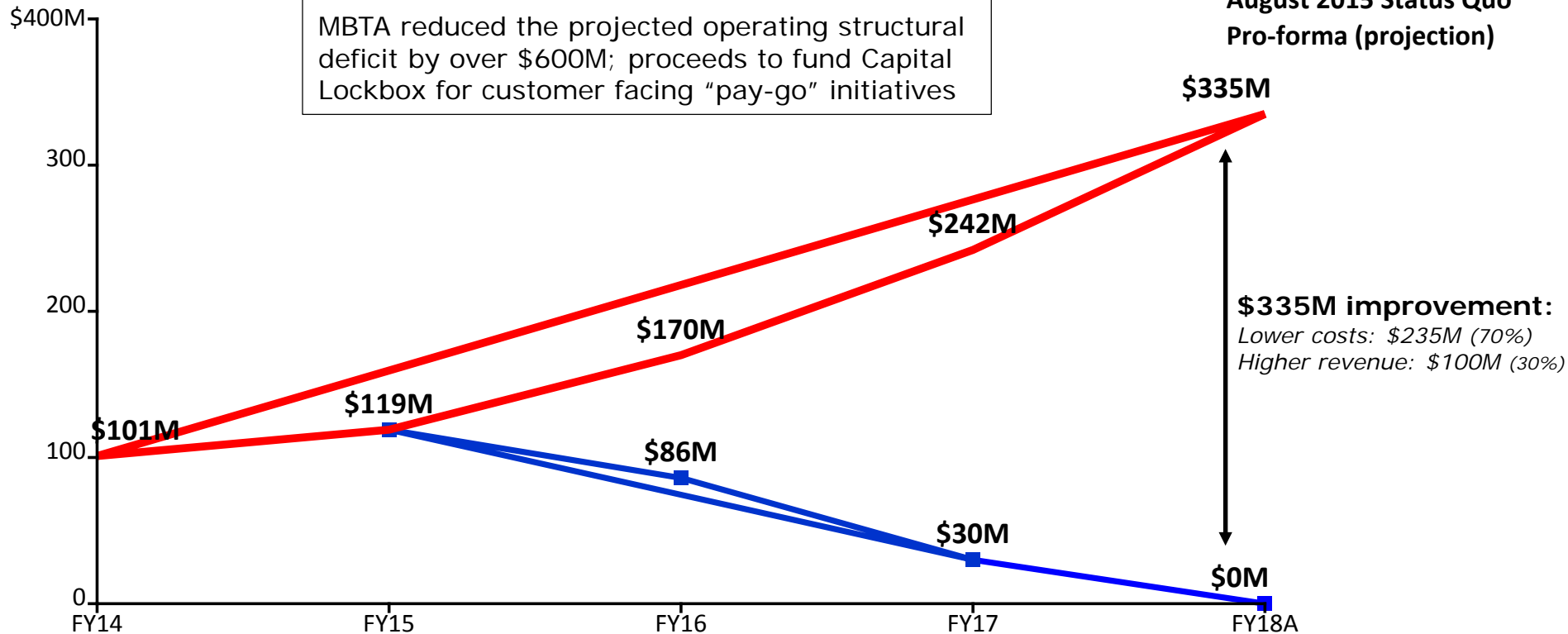


FMCB Goal Achieved: Total revenues cover operating expenses including debt service

Structural deficit

Since FMBC Creation (Jul15):
MBTA reduced the projected operating structural deficit by over \$600M; proceeds to fund Capital Lockbox for customer facing "pay-go" initiatives

**August 2015 Status Quo
Pro-forma (projection)**



Source: MBTA Internal Data

Note: Structural Deficit does not include Additional State Assistance of \$156M in FY16, \$140M in FY17, or \$127M in FY18






Pay Go capital: Reinvesting savings in core system

- Up to \$500 million from Additional State Assistance for Pay Go
- Savings in operating budget translates into expanded capacity for capital investments:
- Specifically, customer-facing or unplanned needs, without harming established CIP priorities
- Direct result of the commitment from FMCB, Secretary Pollack, and former Chief Administrator Abramo

FY18 Budget vs. FY18 Actual Results

FY16-FY18 operating budget savings resulted in over \$500M of Additional State Assistance being available for "pay-go" capital projects

PAY-GO CAPITAL EXAMPLES

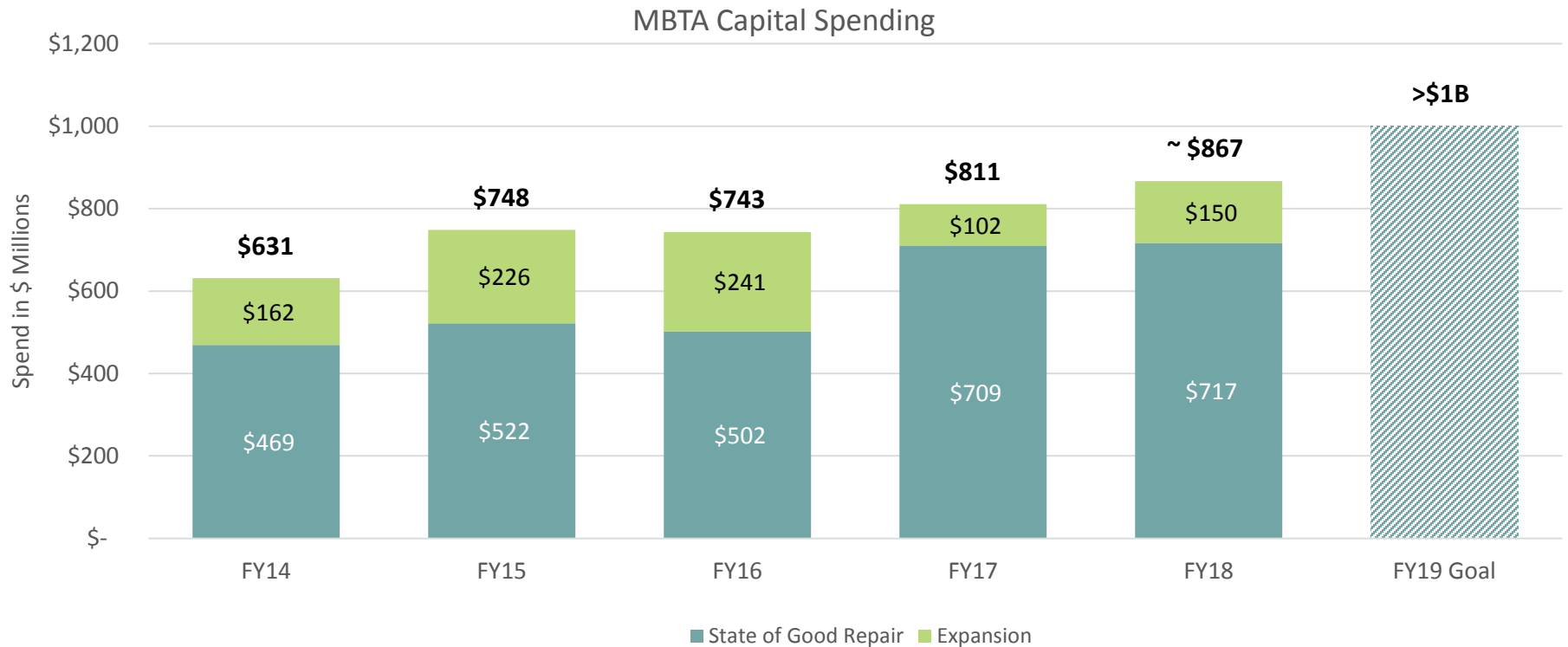
Red Line No. 3 Cars	Lynn Parking Garage	Worcester Line Rail Replacement
		

Fiscal and Management Control Board Draft for Discussion & Policy Purposes Only

30



In FY18 the MBTA invested \$867M in its capital program – the most ever.



- Total MBTA capital spending FY14-18: **\$3.8 billion**
- MBTA projected capital spending FY19-23: **\$8.1 billion**



Commitments

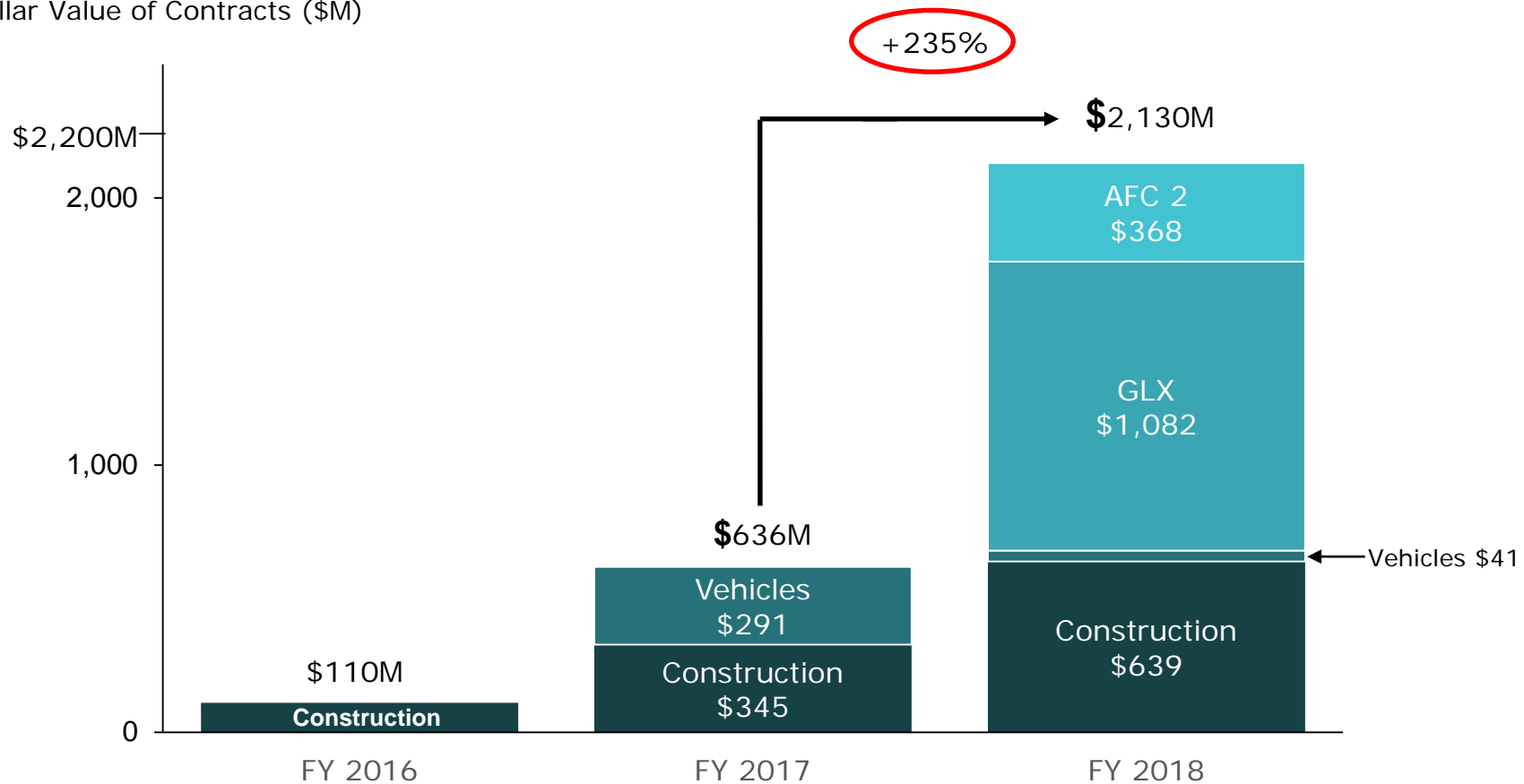
Commitments – As the MBTA ramps up its capital program, contract commitments are a key leading indicator and ensure a project pipeline that will drive future spend. The MBTA awarded \$2.1 billion in capital contracts this year including:

- \$639M in new State of Good Repair (“SGR”) construction contracts
- \$1.0B for Green Line Extension and
- \$368M for AFC 2.0.



Commitments: MBTA Capital Program awarded \$2.1 billion in capital contracts this year.

Dollar Value of Contracts (\$M)





Focus40 Overview

- Builds on FMCB Strategic Plan
- Brings new long-range thinking to planning focused on places with unmet transit needs, and future scenarios involving changes in economy, climate, demographics
- Focus40 is a framework, and is not financially constrained
- As part of the T's transformation to a reliable, robust, resilient system, Focus40 allows us to look ahead while continuing core system investments





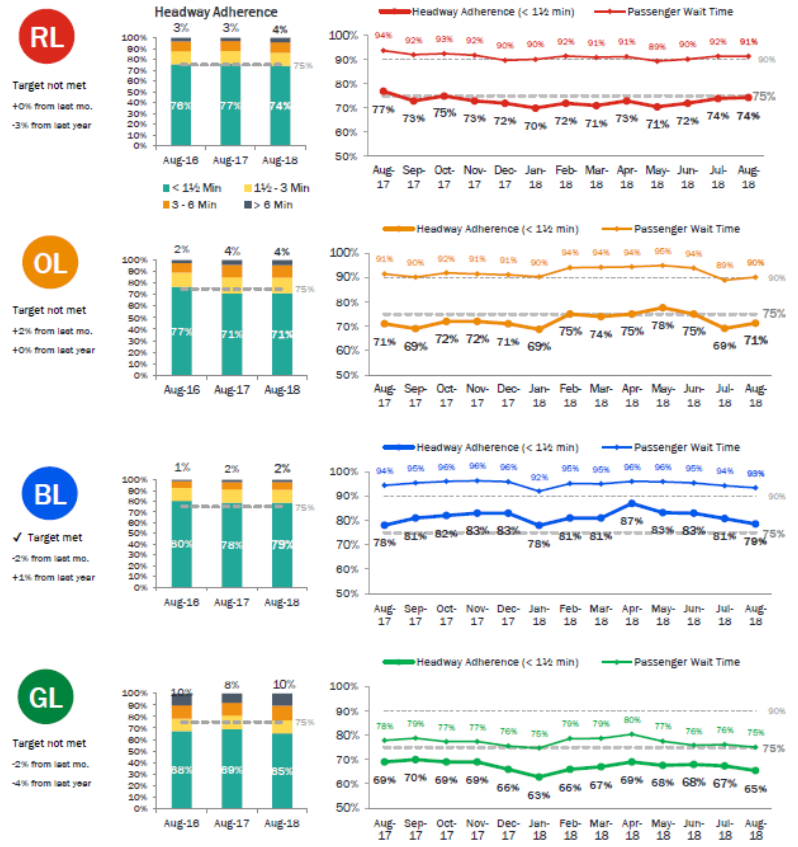
Data Driven

Currently gather service performance data

Need to gather asset performance data

Need to develop linkages between asset performance and service performance

Rail & Bus Transportation: headway adherence				
Heavy Rail:	75%	Headway Adherence <1 min	Green Line:	65%
Change from prior month:	+0%		Change from prior month:	-2%
Rolling 12-month average	78%		Rolling 12-month average	87%





MBTA Asset Management Program Goals

MBTA Asset Management Program provides policies, processes, and systems to:

1. Meet or exceed service delivery goals by achieving and maintaining a **state of good repair** for all MBTA assets
2. Effectively identify, prioritize, and manage **safety**, risk, reliability, and performance.
3. Enable transparent, consistent, and data-driven decision making for **investment prioritization** across asset classes
4. Continue and sustain the MBTA's **fiscal discipline** by optimizing available resources through lifecycle management, reliability-centered maintenance, business process improvements, and other best practices
5. Achieve **compliance** with Federal and State requirements and serve as a leader among peer agencies



Transit Asset Management Plan/NTD Deliverables

Key Federal Deliverables

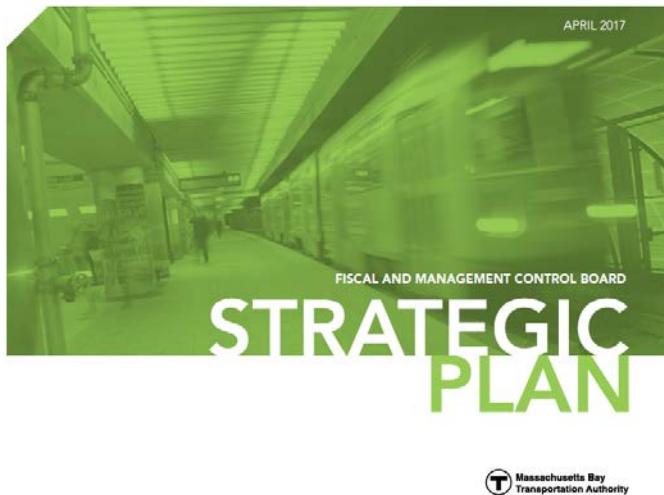
1. Transit Asset Management Plan - **Due October 1st 2018 and updated when a major change occurs**
 - Identify existing and proposed levels of service to be achieved
 - Identify Life Cycle Management needs by asset class
 - Assess financial needs and resources required to support safe and reliable service delivery and bring assets into a State of Good Repair.
 - Document current key processes, organizational architecture, and tools for effective Asset Management
 - Establish action plans for improving asset management
 2. Report information for all assets owned, contracted and/or managed by the MBTA and used in the provision of providing public transportation services - **due October 31st with 25% of all facilities given condition ratings increasing to 100% of all facilities given condition ratings in 4 years**
 3. FY19 Performance Targets reported to the Boston Metropolitan Planning Organization and Federal Transit Administration via the National Transit Database – **Due October 31st**
-



Asset Management → Organizational Redesign

Understand the organizational roles

- Strategic Roles
 - Tactical Roles
 - Operational Roles
- Develop an Organizational plan to fit



MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
MAINTENANCE OF WAY DIVISION

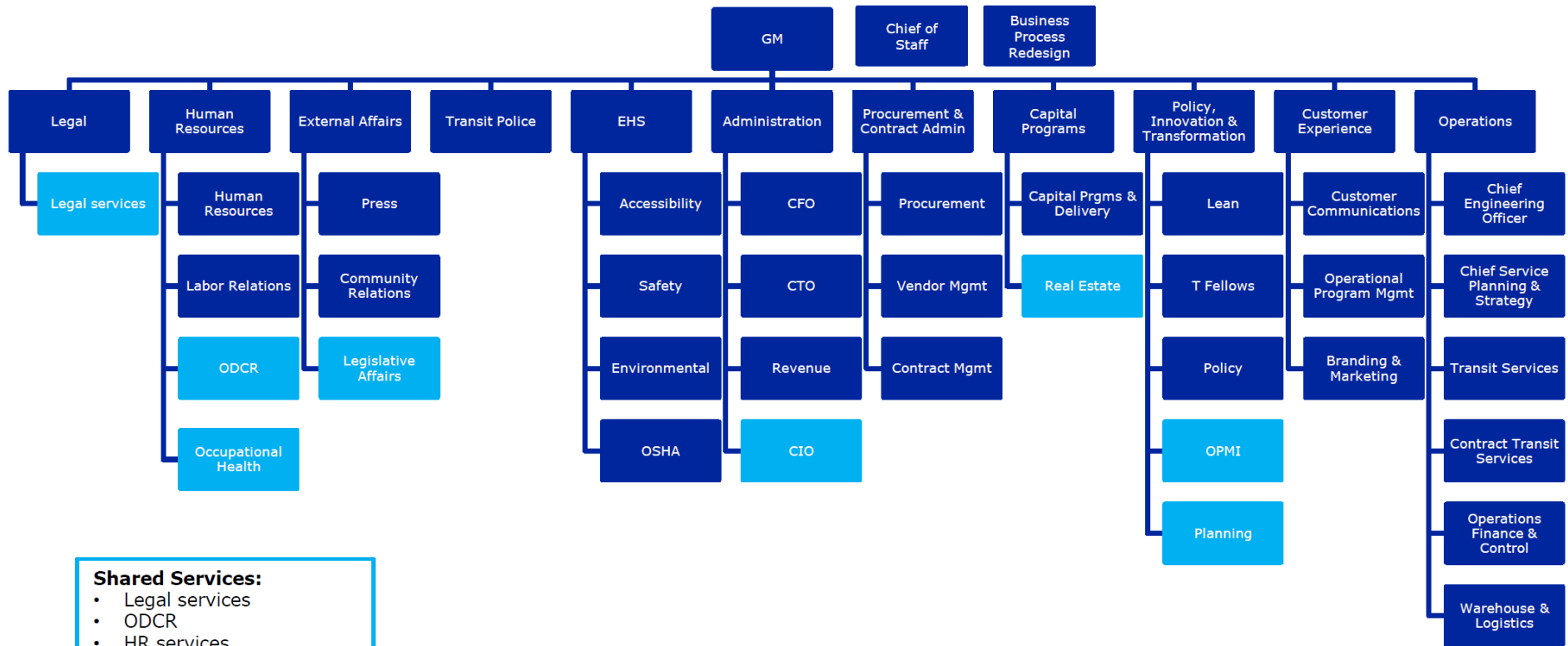
TRACK MAINTENANCE AND SAFETY STANDARDS:



BLUE, ORANGE AND RED LINES
2005



Organizational Redesign – Functional Org.

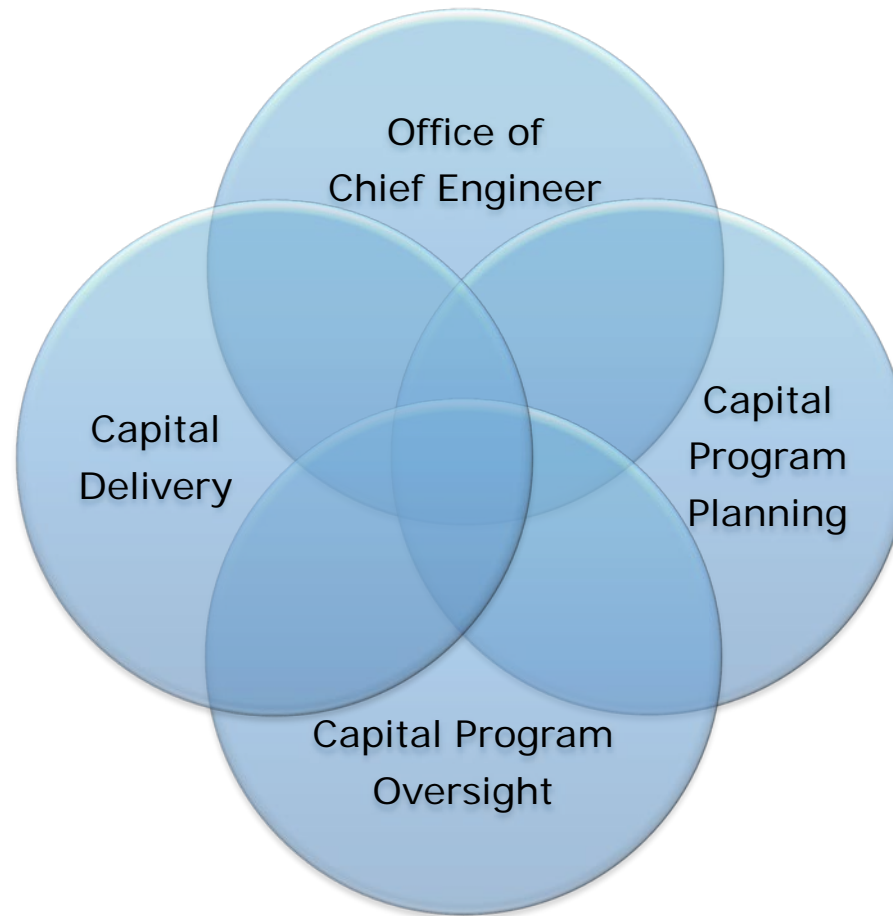


Shared Services:

- Legal services
- ODCR
- HR services
- Occupational Health
- CIO
- Real Estate
- OPMI
- Security
- Planning
- Legislative affairs

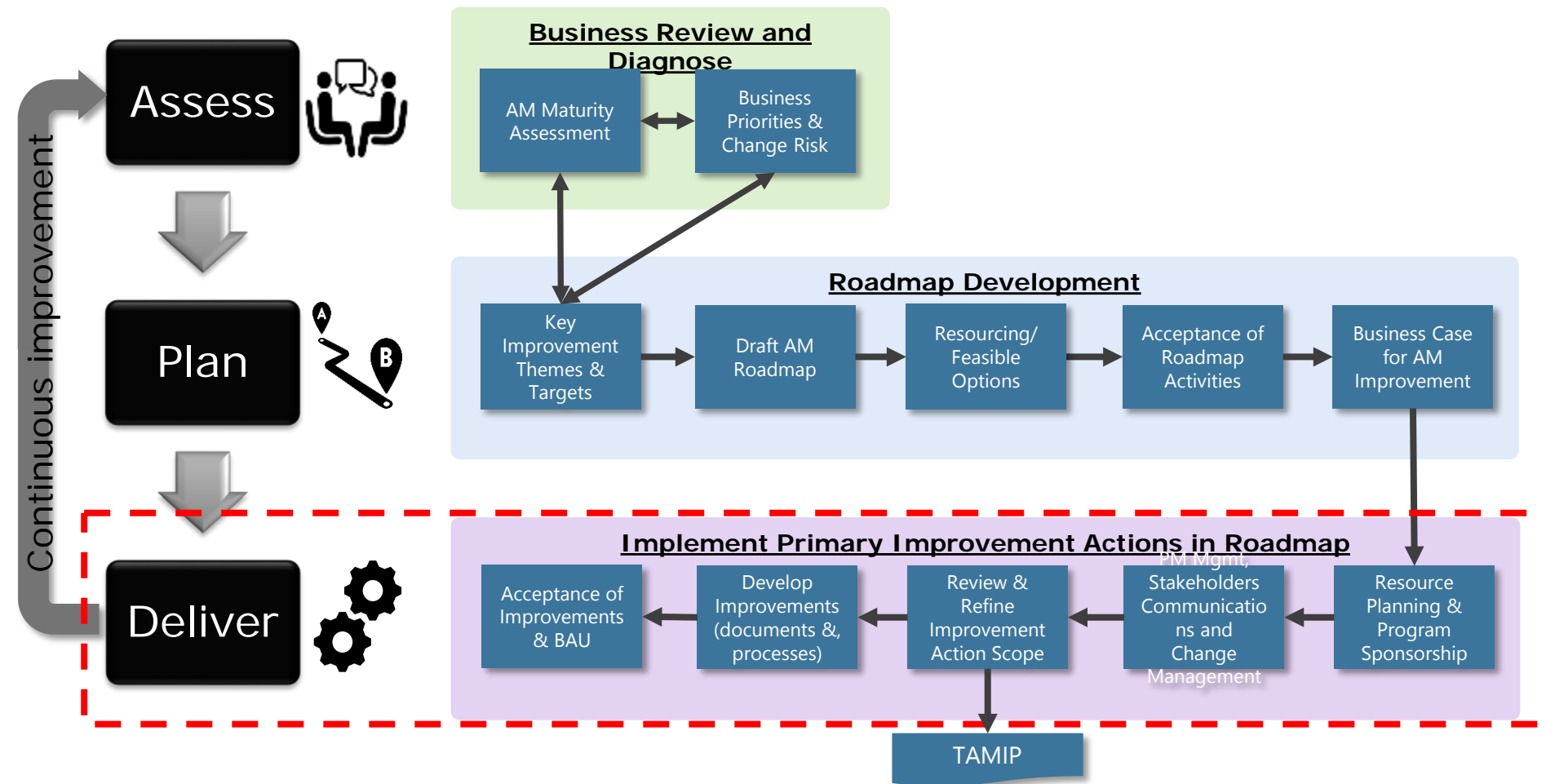


Organizational Redesign – Functional Org.





Organizational Redesign – Functional Org.





Red Line Modernization Program



Cabot Yard & Maintenance Facility



Orange Line Modernization Program



Wellington Yard & Maintenance Facility



Green Line Transformation Program

Safety & Reliability (Urgent):

Address the existing safety and urgent SGR needs, and set path for success

- Coordinate all on-going planning, design and construction projects (internal and external to MBTA)
- Develop a single voice for the evolution of the Green Line (Communications Plan)
- Award PM/CM Contract to support in-house program management
- Execute Contracts to address immediate Safety needs Track, Signals, SGR

Modernization Phase 1:

Make SGR investments into that are consistent with any GL Configuration and develop path for modernization based on KPI goals and new fleet

- Complete Signals SGR
- Create a Green Line Transformative Program for FY 19 and Beyond
 - Service Level
 - Vehicle Concept
 - Power Upgrade Plan
 - Track Configuration Plan
 - Station Consolidation
 - Accessibility
 - City of Boston

Modernization Phase 2:

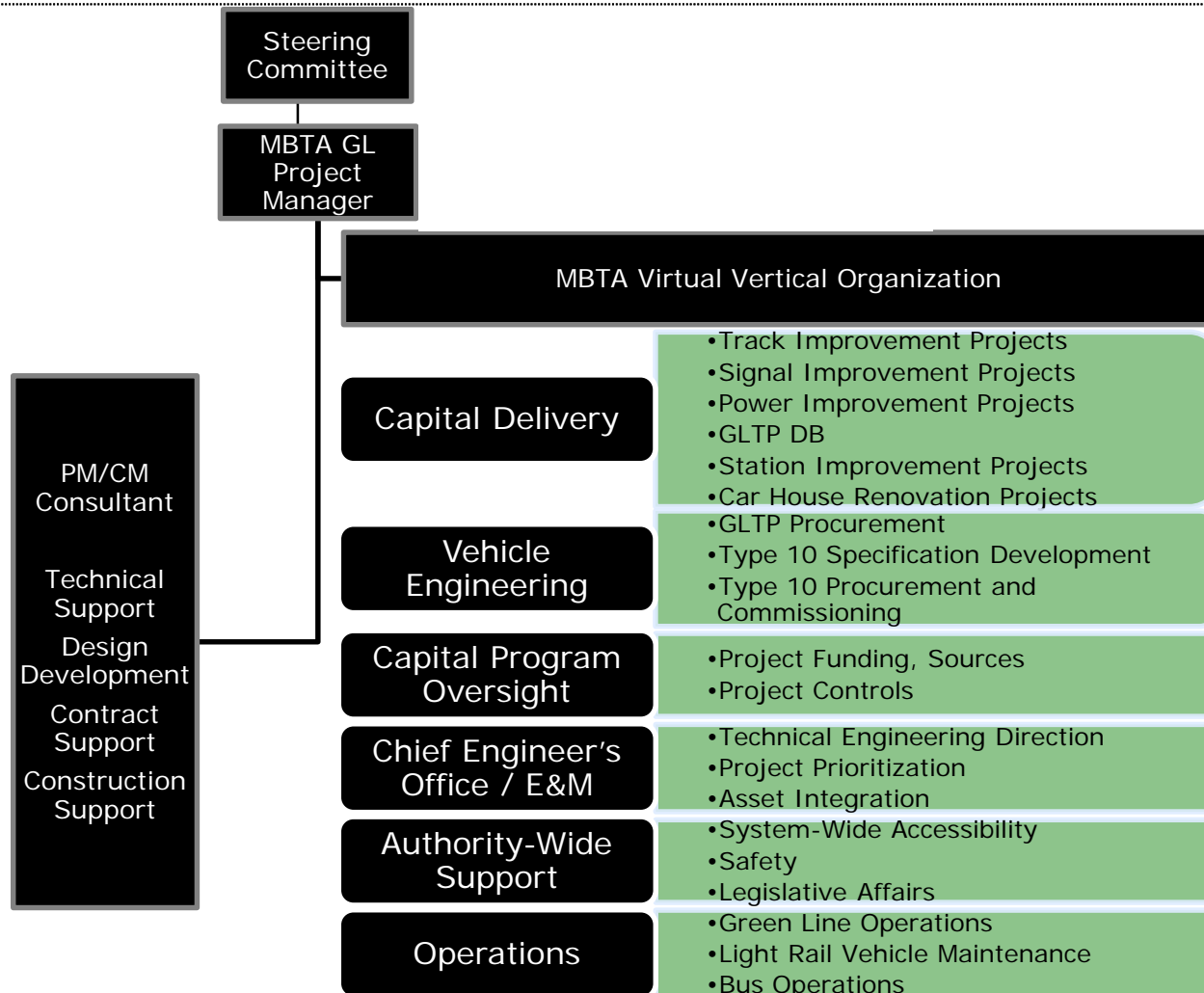
Build out the transformation of the Green Line to met the plan developed in Phase 1

- Procure New Vehicle Fleet
- Build-out Maintenance Facilities for New Fleet
- Increase Service Performance
- Infrastructure reliability

Integrate GLX



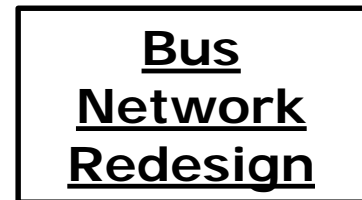
Program Team (Virtual Vertical Organization)





Bus Fleet and Facility Program Plan

- **The Fleet and Facility Plan will be initiated within Office of Chief Engineer**
 - Coordination/Working group: Maintenance, Bus Operations, Capital Delivery, Capital Program Oversight, Engineering, Planning, Environmental, Real Estate
 - Develop action plan for Capital Program
 - Garages by Capital Delivery
 - Fleet by Vehicle Engineering
 - Informed by the Better Bus Project and the Bus Network Redesign
- **Expect action plan for facilities to be in place in 12 months**
- **Bus procurements to begin according to 10/1 FMCB Action**
- **Sequence Bus procurements and Facility improvements on a single timeline**





Bus Facility Program Development Plan

- Spring 2019**
 - **Validate Focus40 and IFFP service needs regionally**
 - Confirm/revise fleet needs to address anticipated regional service demand
 - Overlay existing routes and contemplated Better Bus Project bus route changes
 - Current facility evaluation
 - Analyze feasibility of modifying and/or expanding current facilities
 - Identify real estate to for construction of new facilities (environmental, permitting)

 - Summer 2019**
 - **Model facility Design (Procure Designer Support)**
 - Small (100 busses or less)
 - Medium (100 to 200 busses)
 - Large (greater than 200 busses)

 - Summer 2019**
 - **Investigate modern technology, building techniques and partnerships**
 - Electric Bus Infrastructure
 - Vertical and TOD development
 - Separation of maintenance and layover

 - Fall 2019**
 - **Sequence facility program to meet existing and future bus and network needs**

 - Future**
 - **Project Design and Construction**
 - Incorporate into CIP
-