



Deval L. Patrick, Governor  
Richard A. Davey, Secretary & CEO



## **MINUTES**

### **MassDOT BOARD MEETING OF September 25, 2013**

At the call of the Chair, a Meeting of the Board of Directors of the Massachusetts Department of Transportation was held at the Barnstable Municipal Airport, 480 Airport Road, Hyannis, MA on Wednesday, September 25, 2013.

There were present: Messrs. Jenkins, Alvaro, Bonfiglio, Davey, Macdonald, and Miss Loux, being a quorum of the Board of Directors of the Massachusetts Department of Transportation.

Also present were the General Manager and Rail and Transit Administrator Scott, Frank DePaola, Administrator of the Highway Division, Rachel Kaprielian, Administrator of the RMV Division, Paige Scott Reed, MassDOT/MBTA General Counsel, Owen Kane, Senior Counsel to the Board, and Paula Fallon, Recording Secretary.

The Chairman, Mr. Jenkins, presided.

Chairman Jenkins called the Open Meeting to Order and presented the order of business. He announced Director Whittle will not be in attendance.

Chairman Jenkins opened up the meeting remarks from Ron Persuitte, Chairman of the Airport Commission, Roland Breault, Barnstable Airport Manager and Tom Cahir, Administrator for the Cape Cod RTA.

Next Chairman Jenkins opened the meeting up for public comment.

The first speaker was Rowan de la Barre, President of the F40PH Preservation Society. They would like MassDOT to consider donating the F20 locomotives for preservation here in Massachusetts.

The next speaker was Ann Stewart from Mass Senior Action. Ms. Stewart would like the Board to roll back the RIDE Fares.

The next speaker was Arvilla Saracen from Cambridge. Ms. Saracen would like to see the RIDE fares rolled back.

Chairman Jenkins closed public comment period.

The next item on the agenda was the approval of the June 19, 2013 minutes of the Board meeting.

On motion duly made and seconded; it was

**VOTED: To approve the minutes of the June 19, 2013 meeting.**

The next item was approval of the July 17, 2013.

On motion duly made and seconded; it was

**VOTED: To approve the minutes of the July 17, 2013 meeting.**

The next item on the agenda was the Secretary/CEO's report. The Secretary announced the winners of the Employee Recognition Program, Kathleen Mahoney from MassAeronautics, Daniel Ball, repairer for the MBTA Blue Line and Ronald Vitale from HOC Operations. He also updated the Board on Chapter 90 funding, the Whittier Bridge project, Rt. 79/I-195 Interchange Project and the South Coast Rail. The Secretary ended his speech thanking Director Alvaro for his years of service on the MBTA and MassDOT Board of Directors. Each of the Administrators gave Director Alvaro a momentum to remember his time on the Board. (Full Report attached)

Next Frank DePaola, Administrator of the Highway Division updated the Board on some past items. Thomas Broderick was the Chief Engineer and he retired over the summer. He had over 41 years of service. His replacement, Patricia Levenworth has over 22 years of service and was the former District 4 Highway Director. He also gave an update on the Callahan Tunnel Project bid.

The winning bid was McCourt Construction for \$19.3 million. They will start work on December 27, 2013.

The next item on the agenda was General Manager Scott's report. Dr. Scott updated the Board on the Cape Flyer, Transit Division, MBTA's Fiscal Responsibility, Safety, Customer Service, Employees, and Innovation. Dr. Scott also updated the Board on Hyundai Rotem's schedule. They are ahead of schedule with 32 of the coaches in our possession and 16 are currently in revenue service. The commitment still stands that all 75 will be completed and delivered by May of 2014. (Full report attached.)

Next Chris Willenborg, Administrator of the Aeronautics Division gave his report. Mr. Willenborg reported the three big runway projects across the Commonwealth have received their federal grants and the projects are underway. He ended his update on the contract towers across the state dealing with federal budget issues related to the sequestration. He noted that MassDOT staff will be working closely with the Congressional delegation.

Next Rachael Kaprielian, Registrar of the Registry of Motor Vehicles gave her report. She updated the Board on the wait times for August. They did better on average than the other summer months with a time of 28 minutes and two seconds. The call center was at about 22 minutes and 26 seconds which is expected. The Road tests are booked all the way to November. They are on target with the school bus inspections with a smooth start to the school year. She updated the Board on the ALARS modernization noting that they are running at a

status yellow out of green, yellow and red. Noting that if the status is even running close to yellow she wants it in that category. The project is exactly where MassDOT's wants it with a small modification putting it in the yellow category.

The next couple of times on the agenda will be presented by Dana Levenson, MassDOT Chief Financial Officer. He began with The Way Forward transportation funding. Mr. Levenson went through the chronology of the plan over the past 18 months beginning in 2012. They held 17 meetings across the state, meeting with advocacy groups, business groups to get a buy in on what was a very complicated extensive transportation plan put forth by the Governor. The presentation released in January 2013 was called the Way Forward Plan. On July 24<sup>th</sup> the Transportation Bill was enacted as well as the MassDOT's Fiscal Year 2014 Budget. The revenue package forecasted to raise \$805 million for transportation by Fiscal Year 2018. Included was the \$157 million from a 3-cent increase to the state gas tax indexing it to inflation, \$275 million from registry fee and toll increases and other savings proposed, \$79 million in additional own source revenue and saving targets, \$84 million from redirecting the 2.5-cent underground storage tank fee, \$144 million for realigning the Motor Vehicles Sales Tax and dedicated Sales Tax, \$26 million in new dedicated sales tax to the MBTA and \$40 million transferred from the General Fund in FY2018. The bill requires MassDOT to study and report on additional opportunities to expand tolling. The new bill did not take into account the Western Turnpike Tolls being taken down which is a potential \$135 million loss or the computer sales tax that

was being repealed. The legislation budgetary outcomes include forward funds to the RTA's, limited extra RTA operating funds starting in FY2014, restores exit 1 to 6 tolls on the Turnpike in FY2014, removes all MassDOT operating expenses from the capital budget by FY2016, closes the projected MBTA deficits to manageable levels through at least FY2018, inclusive of a 5% fare increases in FY2015 and FY2017, generate an estimated \$6.4 billion in additional capacity for capital projects, assume a minimum 5% toll increase in FY2015, and assume a minimum 10% RMV fee increase in FY2016. Mr. Levenson ended with the various policy requirements and the next steps that need Board approval.

Next Mr. Levenson presented the fiscal departments organization. In FY2013 the fiscal department implemented new liquidity construct for outstanding variable rate Metropolitan Highway System debt, resulting in a diversification of liquidity providers, modes of payment, and extended maturities. MassDOT fiscal secured an additional \$5 million on the Lehman Bankruptcy claim, exceeded \$1 prompt payment discount goal for FY2013 and exceeded the goal to close out 524 Federal Aid Projects. Thom Dugan recently joined Fiscal as Deputy CFO and he is responsible for the operating and capital budgets. Silvio Petraglia has been our Chief Procurement Officer, Susan Bristol is the Comptroller. As Comptroller Ms. Bristol made sure the bills are paid on time and the financial statements are clear. She has spearheaded the prompt payment initiative at MassDOT saving over a million dollars this past fiscal year. Beth Pellegrini is the Director of Revenue and Debt Management.

Next Mr. Levenson presented the FY2014 Massachusetts Transportation Trust Fund (MTTF) preliminary operating budget. The budget will come before the Board in October for approval of the FY2014 budget. Mr. Levenson began with a full review of the FY2013 budget performance. He went into the highlights of the FY2014 budget. The budget revenues are forecast at \$996.1 million with a corresponding forecast of expenditures of \$952.4 million. This would result in an excess of revenues over expenses projection of \$43.7 million of which \$19.7 million is “restricted” and would be added to the toll road reserves for future capital reinvestment on the toll roads. The significant variances for FY14 versus FY13 actual are toll increases by reinstating tolls at exit 1-6, increase in the CTF allocation and truck permit increases. The expenses to the budget include an increase to snow and ice, an increase to Paygo Maintenance budget to allow for increased spending on major projects, All Electronic Tolling (AET) implementation, and the Callahan Tunnel rehabilitation project. The remaining \$24 million of non-restricted excess revenues over expenses is available and should be spent to effect certain policy decisions including permanent hiring for ongoing operations, effecting projects enumerated in the The Way Forward, and/or moving more employees from the capital bond to the operating account. The overarching goals of the FY14 budget is to continue funding to provide high level of service to our customers, meet the requirements put forth in The Way Forward and transparency, prudence and good judgment. The selected FY2014 assumptions for restricted revenues total \$727.9 million. The restricted expenses

total \$708.2 million. Mr. Levenson noted that he will be back before the Board for approval of the FY2014 budget.

Next Jeffrey Simon, Assistant Secretary for Asset and Development gave a presentation on the Boston Public Market. The Boston Public Market is also known as parcel 7. The structure is around Haymarket T Station and the other is around the two chimney exhaust towers. The buildings will hold the Boston Public Food Market and on the second and third floor will hold the flagship RMV branch. The third and fourth floors will either be rented out or used for other MassDOT purposes. On the first floor they are looking at an 85 year lease below market value to anchor the market district, increase the exposure of local farmers and fisherman, and to try to promote Massachusetts products in particular. We will be the tenant for low or no rent for the entire 85 years. There will be startup costs and after 5 years MassDOT will do an annual review and assuming there is surplus, rent will kick in, still below market rent.

The next item on the agenda presented by Frank DePaola, MassHighway Administrator, is the approval of the proposed toll structure for the reinstatement of the tolls on the Massachusetts Turnpike at interchanges 1 through 6 to comply with Chapter 46, Section 13 of the Acts of 2013. The effective date of this law was July 24, 2013.

On motion duly made and seconded, it was;

**VOTED: That the Board approve the toll structure effective October 15, 2013, as presented to the Board at this meeting, for the reinstatement of the tolls on the Massachusetts Turnpike at interchanges 1 through 6; and**

**further, that the Secretary/CEO is authorized, in the name of and on behalf of the Department, to take any steps he deems necessary and appropriate, to effectuate and implement this toll increase.**

The next item on the agenda was presented by Michael McGrath. Mr. McGrath was looking for approval from the Board to add funding for extra work to Contract 68152 in the amount of \$10,800,540 and to execute extra work order number 16 to perform additional and extensive repairs to the piers and abutments of the bridge carrying Route 6 over the Acushnet River between New Bedford and Fairhaven.

On motion duly made and seconded, it was;

**VOTED: That the Secretary/CEO and /or Administrator for the Highway Division, be and hereby is, authorized to execute, in the name and on behalf of the Department, and in a form approved by General Counsel, Extra Work Order #16 Concrete Encasement for Substructures of the Middle and East Bridges" within Highway Division Contract No. 68152 entitled "Two Bridge Reconstructions (Including Painting) Br. F-O1 -002=N-O6-001 - Rte 6 EB and WB over the Acushnet River in New Bedford and Fairhaven and Br. N-O6-025 - Hathaway Road over Interstate in New Bedford" in the current budget amount of \$10,800,540.**

The next item on the agenda was presented by Mary Ainsley. Ms. Ainsley requested approval and authorization to execute an Intergovernmental Service Agreement (ISA) between MassDOT and the MBTA in the amount of \$393,046,243.09 and approval of MBTA Contract No. CM/GC-E22, entitled "Green Line Extension Project Construction Manager/General Contractor" with Skanska Kiewit (JV) (WSK) for an estimated sum not to exceed \$390,159,066,

with duration of fifty-one months from the date of the Notice to Proceed, and to cover MBTA administrative expenses in the amount of \$2,887,177.09.

On motion duly made and seconded, it was;

**VOTED: That, the Board of Directors hereby approve and authorize the Secretary/CEO to execute an Intergovernmental Service Agreement (ISA) amendment between MassDOT and the MBTA in the amount of \$393,046,243.09. Approval of this ISA will allow the MBTA to execute Interim Guarantee Maximum Price contracts to MBTA Contract No. CM/GC-E22, entitled "Green Line Extension (GLX) Project Construction Manager/General Contractor (CM/GC)" with White Skanska Kiewit (JV) (WSK) for an estimated sum not to exceed \$390,159,066.00, with a duration of fifty-one (51) months from the date of the Notice to Proceed, and cover MBTA administrative expenses in the amount of \$2,887,177.09.**

The final item on the agenda presented by Ed Hunter is the request to grant permission to utilize Design Build as an alternative project delivery method for MBTA Contract No. B64CN02 entitled "Rehabilitation of the Merrimack River Bridge Piers, Haverhill, MA.

On motion duly made and seconded, it was

**VOTED: That the General Manager and Rail & Transit Administrator, be and hereby is, authorized to execute in the name and on behalf of the Authority, subject to the approval of the Massachusetts Department of Transportation (MassDOT) and in a form approved by the General Counsel permission, as the recipient of an Federal Transit Authority (FTA) TIGER Grant: TIGER III Merrimack Bridge, to utilize Design-Build (DB) procurement method under M.G.L. c. 149A as an alternative project delivery method for the Rehabilitation of the Merrimack River Bridge Piers Project.**

Chairman Jenkins announced the end of open session. He stated that we will be going into executive session for a labor update and discussion on an MBTA Procurement. He announced we will not be going back into open session.

On motion duly made and seconded, it was unanimously;

**VOTED**: to adjourn.

Documents relied on in meeting:

Minutes for June 19, 2013 and July 17, 2013

Secretary Davey's Report

Presentation on MassDOT's New Fiscal Organization.

Presentation on MassDOT FY14 Massachusetts Transportation Trust Fund Budget.

Presentation on Financing the Way Forward.

Presentation on the terms for the Boston Public Market.

General Manager's Report

Staff Summaries 11-14

Presentation by Tom Cahir