



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



MINUTES

MassDOT BOARD MEETING OF SEPTEMBER 17, 2014

At the call of the Chair, a Meeting of the Board of Directors of the Massachusetts Department of Transportation was held at the Council Chambers, Chelsea City Hall, 500 Broadway, Chelsea, MA 02150 on Wednesday, September 17, 2014.

Those present were: Messrs. Jenkins, Blue, Macdonald, Miss Loux and Mr. Whittle being a quorum of the Board of Directors of the Massachusetts Department of Transportation.

Also present were Jay Ash, City Manager of Chelsea, Frank DePaola, Administrator-Highway Division; Celia Blue, Assistant Secretary and Registrar of Motor Vehicles; Dr. Beverly Scott, General Manager, Chris Willenborg, Aeronautics Administrator, Jeffrey Simon, Assistant Secretary for Real Estate and Asset Management; Cyndi Roy-Gonzalez, Assistant Secretary for Communications; Faye Boardman, MassDOT Chief of Staff, Jon Davis, Chief Financial Officer-MBTA; Dana Levenson, Chief Financial Officer-MassDOT; Paige Scott Reed, General Counsel and Owen Kane, Senior Counsel to the Board.

The Chairman, Mr. Jenkins, presided.

Chairman Jenkins called the Open Meeting to Order and presented the order of business.

Jay Ash, Chelsea City Manager welcomed the MassDOT Board and the audience to Chelsea City Hall. He thanked the Commonwealth for the new development that is taking place in Chelsea.

Chairman Jenkins opened up public comment period.

The first speaker was Lew Finfer from Mass Community Action. Mr. Finfer has been trying for years to get an apprenticeship program with MassDOT. They heard a program may be going forward and they would like to get a meeting so they can have some input in the program.

The next speaker was Marilyn MacNab, resident of the City of Boston. Ms. MacNab asked anyone to participate for the 25th anniversary next July. She is also concerned that audio has been taken during trips on the ride without both party consenting. She ended with requesting to ensure the RIDE drivers have efficient equipment to do their jobs safely by improving the GPS system.

The next four speakers were Mary Jo Connelly, Rafael Flores, Van Hardy and Karen Narefsky from Jobs for Somerville. They all have been working on to make sure low income minorities and women residents of Somerville have access to construction and ongoing operating jobs with the Green Line extension project with the signed MOU with the MBTA.

Chairman Jenkins closed public comment period.

Next was approval of the minutes for April 9, 2014 and July 16, 2014.

On motion duly made and seconded, with Director Whittle abstaining, it was;

VOTED: to approve the minutes of April 9, 2014.

On motion duly made and seconded it was;

VOTED: to approve the minutes of July 16, 2014.

Chairman Jenkins announced that the Secretary and Administrators submitted their reports for the record.

The next item was the Briefing on the MassDOT FY2014 Year-End Financial Results presented by Thom Dugan. The Statement of Revenue and Expenses for the entire fiscal year of 2014, July 1st through June 30th, details line item variances in revenue and expense categories, which have resulted in estimated net revenue of \$5.1 million. In summary; the estimated net revenue is the consolidated net balance of MassDOT budgetary funds, including restricted Metropolitan Highway System, Tobin Bridge, and Western Turnpike. As of the date of this report, the consolidated net revenue estimate of all restricted and unrestricted funds is \$5.1 million. However, this includes a \$38.9 million dollar snow and ice removal deficit in the General Operating Fund, which we anticipate will be cured through Legislative action in September. The Statutory Basis Financial Report reporting official budgetary performance for the fiscal year will

be published on or about October 31 per past practice and statutory requirements. Total revenue was \$987.7 million, which is \$33 million (3.31 percent) under budget. The major contributors to this variance are; gaming revenue, \$25 million, did not materialize in the fiscal year due to the revised schedule for the award of casino licenses. Toll revenue is \$14.3 million, or 3.56 percent above budget projections, based on the higher than anticipated performance resulting from the restoration of the Western Turnpike tolls at exits 1 – 6 and higher than anticipated transaction counts on the Metropolitan Highway System (3.8 percent above budgeted amounts). Total expenses were \$998.8 million, or \$30.9 million (3.01 percent) below budget. The major items contributing to this variance are; Employee Payroll and Benefit costs is \$16.6 million below budget, Materials, Supplies, and Services line item is \$16.7 million over budget, The Construction and Maintenance line item is \$16.7 million over budget (Snow & Ice removal costs for Fiscal Year 2014 were \$134 million. MassDOT is authorized under the General Laws of the Commonwealth to expend into deficiency, above the budgeted amount of \$44 million, up to \$50 million, for the removal of snow and ice costs). To date, the Legislature has appropriated \$31.6 million in supplemental funds for snow and ice removal. The delay in the award of the licenses has deferred this program until Gaming Revenue is available and \$17 million below budget resulting from the incorrect initial classification of intergovernmental service agreements that provide funding to state agencies, including the Department of Environmental Protection, Fish, and Game and other federal agencies. The expenses for these purposes were

recorded in the Materials, Supplies and Services line item, which is \$16.7 million over budget. Director Macdonald noted that this was reviewed at the Finance and Audit meeting.

Next Jonathan Davis, Deputy General Manager and CFO for the MBTA presented the MBTA Q4'14 Operating Budget Results. They had strong revenue on all categories during the fiscal year end and ended up with almost \$13 million more in revenue than what is in the budget. The operating expenses were slightly over budget, \$7.2 million, all driven by the arbitration award that was given for the prior union contract but was able to make up the difference with lower debt service. The total operating expenses were about a million and a half favorable to budget. That left about \$14.2 million in revenue excess of expenses which would contribute all of that to the capital maintenance fund which will go toward funding state of good repair program. Director Macdonald noted that this was reviewed at the Finance and Audit meeting. The Board discussed the transition of some unions that still need to go into the GIC.

Next Stephanie Neal Johnson gave an update on the EEO update. Ms. Johnson began with talking about EEO generally and then discussed further about the other things that surround the process that helped to get them to their goals. They have been engaged in a significant Civil Rights function. However, there was lots of room for the integration of the entire organization in this work. Additionally, they have begun to strengthen the demonstration of that work. They met with Federal Officials and have received a letter indicating their remedial action status. Now they are growing together as they work cross functionally to

create a well documented synergistic program that is not only compliant with the law but creates the kind of organization that they want to be. It is important to discuss the fact that their local as well as national Federal relationships are strengthened. That as the nation struggles to figure out how to manage programs concerning access of all sorts, they are among the first to be in a positive status and working forward to advancing access for all people. The DBE piece is self explanatory. Regarding the UCP, it would be helpful to state that MassDOT has taken the lead in managing the program formerly known as SOMBWA to provide certification services to insure access to business opportunities with the T, DOT, Massport, RTA, Aeronautics, etc. The Board discussed the status of the process and how far they have come with the program.

The next item on the agenda was presented by Ned Codd, Assistant Secretary for GreenDOT. Mr. Codd presented the GreenDOT update. Mr. Codd went through the Background and Policy Context, GreenDOT Policy and Implementation Plan, Status of GreenDOT Tasks and Initiatives and the Next Steps. The Massachusetts Department of Transportation will be a national leader in promoting sustainability in the transportation sector. Through the full range of our activities, from strategic planning to construction and system operations, MassDOT will promote sustainable economic development, protect the natural environment, and enhance the quality of life for all of the Commonwealth's residents and visitors. This will enable MassDOT to use resources in a manner

that serves its existing customers while preserving our resources for future generations. The Goals are Reduce greenhouse gas (GHG) emissions, Promote the healthy transportation modes of walking, bicycling, and transit and Support smart growth development. The Mode Shift Goal – Triple amount of travel by walking, bicycling, and public transit by 2030. Mr. Codd went through each department's goals and accomplishments. He ended with the key issues and next steps. The Board asked for his next presentation to have more information that includes how much greenhouse gas emissions from the transportation sector and the MassDOT carbon footprint.

The next item presented by Swee Wong Wagner was the Administrators salary adjustments. In support of the Administration's on-going commitment to merit-based pay, the Executive Office of Administration and Finance (ANF) approved a 1.5% merit increase along with a 2.18% merit pool for all managers based on the timely completion of performance review responsibilities (both ACES and EPRS), as well as satisfactorily meeting performance objectives defined in the respective performance evaluation systems. With the exception of our MassDOT Administrators for the Highway, Registry and Aeronautics Divisions, all eligible managers have received 1.5% for successful completion of Progress Review and will receive an additional % increase that will be administered through a 2.18% merit pool upon completion of the "Final Review Phase" which concludes on September 24, 2014. In order to be eligible for such increases, managers must have satisfied their performance review responsibilities and received a final review rating of "Meets Expectations" or

higher. All increases are retroactive to July 13, 2014. MGL c. 6C, Section 29© requires that MassDOT's Secretary & CEO determine each administrator's salary, subject to the approval of the MassDOT Board of Directors. They are requesting that the manager salary increases be applied to the Highway Division Administrator, the Registrar and the Aeronautics Administrator and that the MassDOT Board of Directors vote to approve the salary increases.

On motion duly made and seconded, it was;

VOTED: That the Board of Directors of the Massachusetts Department of Transportation hereby approves the salary of Highway Division Administrator Frank DePaola in the amount \$160,864.91.00, Registrar Celia Blue in the amount \$147,836.25 and Aeronautics Division Administrator Christopher Willenborg in the amount of \$122,789.42 per year, as determined by the Secretary pursuant to M.G.L. c.6C,§29(c).

The next item on the agenda was approval of the AET system presented by Administrator Frank DePaola. The Department hereby requests authorization for the Secretary/CEO to execute a ten year contract with TransCore L.P. in the amount of \$205,060,000 for the purpose of developing and operating MassDOT's AET Customer Service Center in of support the future toll collection system. Director Blue asked if they have been satisfied with the companies work to date. The Administrator noted that their work has been very positive. The Board requested the Administrator to go back to the contractor and persuade them to accept the 10% DBE goal.

On motion duly made and seconded, it was;

VOTED: to table the item on the AET Customer Service Center contract with Transcore.

The next item on the agenda presented by David Anderson was the Needham Wellesley Add-a-lane project. Mr. Anderson asked for approval of Highway Division Contract No. 79875 entitled "Needham Wellesley - Add-A-Lane Contract V along a Section of Interstate 95 Includes 6 Bridges" with Barletta Heavy Division, Inc. in the amount of \$137,590,000.00 based upon a schedule of unit prices, said contractor being the lowest responsible and eligible bidder in response to requests for sealed proposals.

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, a certain Highway Division Contract No. 79875 entitled "Needham Wellesley - Add-A-Lane Contract V along a Section of Interstate 95 Includes 6 Bridges" with Barletta Heavy Division, Inc. in the amount of \$137,590,000.00 based upon a schedule of unit prices, said contractor being the lowest responsible and eligible bidder in response to requests for sealed proposals.

Next item on the agenda was presented by Tom Donald was the Silver Line Construction and Washington Avenue Bridge Replacement Project. Mr. Donald asked the Board to approve Highway Division Contract No. 83650 with McCourt Construction Co. Inc., in the amount of \$33,752,196.48 based upon a schedule of unit prices, said contractor being the lowest responsible and eligible bidder in response to requests for sealed proposals.

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, a certain Highway Division Contract No. 83650 entitled, “Chelsea – Silver Line Construction and Washington Avenue Bridge Replacement Project” with McCourt Construction Co. Inc., in the amount of \$33,752,196.48 based upon a schedule of unit prices, said contractor being the lowest responsible and eligible bidder in response to requests for sealed proposals.

The next item on the agenda was presented by Mary Ainsley. Ms. Ainsley requested the Board to execute an Intergovernmental Service Agreement (ISA) Amendment in the amount of \$1,207,486,072.00, which will allow the Massachusetts Bay Transportation Authority (MBTA) to design and construct the Green Line Extension (GLX) from the existing MBTA Green Line Service northwest from a relocated Lechmere Station (opposite side of Monsignor O’Brien Highway) to College Avenue in Medford, Massachusetts and to Union Square area in Somerville, Massachusetts with a revenue operational date of June 30, 2021. Ms. Ainsley further requested approval of Amendment No. 6 to Massachusetts Bay Transportation Authority (MBTA) Contract No. E22PS04 entitled, “Green Line Extension – Advanced Preliminary/Final Design Engineering Services,” with AECOM/HNTB, a Joint Venture (JV), for additional Design Engineering Services from May 1, 2014 through July 2016 and for Construction Phase Services (CPS) from July 15, 2014 through December 30, 2020 for a sum not to exceed \$63,332,534.00, subject to pre-audit. The Board discussed the number of change requests. Ed Hunter, Assistant General Manager for Design and Construction noted that it is not additional work but phases of the design process and this is the final phase.

On motion duly made and seconded, it was;

VOTED: That, the Board of Directors hereby approves and authorizes the MassDOT Secretary & CEO to execute Intergovernmental Service Agreement (ISA) Amendments in the amount of \$1,207,486,072.00, which will allow the Massachusetts Bay Transportation Authority (MBTA) to design and construct the Green Line Extension (GLX) from the existing MBTA Green Line Service northwest from a relocated Lechmere Station (opposite side of Monsignor O'Brien Highway) to College Avenue in Medford, Massachusetts and to Union Square area in Somerville, Massachusetts with a revenue operational date of June 30, 2021, and subsequent modifications as may be required to address the means by which FTA reimbursement is received.

FURTHER 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, Amendment No. 6 to MBTA Contract No. E22PS02, entitled "Green Line Extension -Advanced Preliminary/Final Design Engineering Services," with AECOM/HNTB, a Joint Venture (JV) for additional Design Engineering Services from May 1, 2014 through July 2016 and for Construction Phase Services (CPS) from July 15, 2014 through December 30, 2020 for a sum not to exceed \$63,332,534.00, subject to pre-audit.

The next item on the agenda was approval of MBTA Labor and Pension agreement with Local 589 and presented by Kim Poirier, Director of Labor Relations. The Amalgamated Transit Union, Local 589, is widely known as the Boston Carmen's Union. It represents over 3,000 full-time and part-time employees, which is more than half of the Authority's entire workforce. Its members work in 33 classifications, the largest of which are operators, customer service employees, and maintenance workers. The union's retired members, as well as other Authority employees, are covered by a Pension Agreement which dates back to July 1, 1970, and which is subject to collective bargaining and

interest arbitration. The parties began negotiations on March 17, 2014 over the terms and conditions of the CBA, followed shortly thereafter by negotiations of the Pension Agreement. After several formal negotiations and informal sessions the bargaining committees of the Authority and Local 589 have reached a tentative agreement on the terms and conditions for both a new collective bargaining agreement and pension agreement. The term of the Agreement will be July 1, 2014 through June 30, 2018. The total four year wage increase is 10% (10.4% when compounded) and is consistent with approved budgetary projections. This CBA will establish the first Transit Employees' Health and Welfare Trust for the benefit of all eligible employees and retirees pursuant to Chapter 25 of the Acts of 2009 and the Garraty Interest Arbitration Award. The Fund will provide non-duplicative health and welfare benefits that supplement those provided by the Group Insurance Commission. All active employees of the Authority, including those represented by other unions, as well as executive and confidential employees may participate under the terms negotiated between the Authority and Local 589. Similarly, retirees in good standing with their union, and executive/confidential retirees by agreement are also eligible to participate.

The term of the Pension Agreement will be July 1, 2014 through June 30, 2018. In the future, large back-payor retroactive wage increases, including arbitrator's awards, will be counted in the year the wages were earned and not actually paid for the purposes of calculating a retirement allowance. The Fund shall disclose to the Authority at least monthly, full and complete information concerning pension benefit contributions for all employees and retirees (including

name, position, annual salary, pension payment, age and number of years in service at retirement). The Authority is permitted to disclose this information to the public. Local 589 also agreed that the Trustees shall provide an annual report that meets the reporting standards of the Government Finance Officers Association. The estimated net cost the entire proposed collective bargaining agreement with the Union is \$93,963,491 and this estimate does not include the savings of Local 589 going into the GIC.

On motion duly made and seconded, it was;

VOTED: That the General Manager is hereby authorized to enter into a collectively bargained Agreement in the name and on behalf of the Authority, between the Massachusetts Bay Transportation Authority and Local 589, Amalgamated Transit Union, AFL-CIO, relative to the terms and conditions of employment for a period from July 1, 2014 through and including June 30, 2018, and the General Manager is authorized to execute said Agreement in the name and on behalf of the Authority upon ratification by the Union membership. Copy of said Agreement in the form submitted is hereby ordered filed with the records of the meeting.

VOTED: That the General Manager is hereby authorized to enter into a Pension Agreement in the name and on behalf of the Authority, between the Massachusetts Bay Transportation Authority and Local 589, Amalgamated Transit Union, AFL-CIO, for a period from July 1, 2014 through and including June 30, 2018, and the General Manager is authorized to execute said Agreement in the name and on behalf of the Authority upon ratification by the Union membership. Copy of said Agreement in the form submitted is hereby ordered filed with the records of the meeting.

The final agenda item presented by Kim Poirier was MBTA's Local 104 Agreement. Local 104 represents approximately 93 full-time Linemen who install, maintain, and repair the overhead 600 volt wire that provides electrical power to

the Authority's light rail vehicles. Local 104 members also provide maintenance for the Authority's automatic substations. The parties began negotiations in 2012 over the terms and conditions of a successor collective bargaining Agreement to replace the contract that expired on June 30, 2010. After several formal negotiations and informal sessions the bargaining committees of the Authority and Local 104 have reached a tentative agreement on the terms and conditions for a new collective bargaining Agreement. The term of the Agreement will be July 1, 2010 through June 30, 2014. The total four year wage increase is 10% (10.4% when compounded) and is the same as the wage increases awarded to Local 589 in the Garraty Interest Arbitration. Local 104 was transferred into the Commonwealth's Group Insurance Commission ("GIC") on July 1, 2010. The Parties have a tentative agreement to merge Auto Substation Maintainers into the classification of Power Equipment Technicians ("PET") with a revised wage progression. Employees who regularly work the night shift will be paid a differential of \$1.50 per hour for all hours worked. The proposed increase in the safety shoe allowance went up to \$100 per year from \$75. Employees must provide a minimum of one week's notice when requesting a single vacation day. The estimated net cost of the entire proposed collective bargaining Agreement with the Union is \$1,189,736.

On motion duly made and seconded, it was;

VOTED: That the General Manager is hereby authorized to enter into a collectively bargained Agreement in the name and on behalf of the Authority, between the Massachusetts Bay Transportation Authority and the International Brotherhood of Electrical Workers, Local 104,

relative to the terms and conditions of employment for a period from July 1, 2010 through and including June 30, 2014, and the General Manager is authorized to execute said Agreement in the name and on behalf of the Authority upon ratification by the Union membership. Copy of said Agreement in the form submitted is hereby ordered filed with the records of the meeting.

Chairman Jenkins announced that we will be going into executive session to discuss a personnel Issue and procurement briefing and we will not be going back into open session.

On motion duly made and seconded, it was

VOTED: To adjourn.

Documents used for this reports

Minutes for April 9, 2014 and July 16, 2014
Secretary's Report
Administrators Report
MassDOT Q4'14 Operating Budget Results Memo
MBTA Q4'14 Operating Budget Results Memo
EEO Update PowerPoint
GreenDOT Update PowerPoint
Staff Summaries 11-18