



Charles D. Baker, Governor
Karyn E. Polito, Lieutenant Governor
Stephanie Pollack, MassDOT Secretary & CEO



MINUTES

Meeting of the MassDOT Board of Directors and Joint Meeting of the MassDOT Board of Directors and the Fiscal and Management Control Board

October 15, 2018

Chair Stephanie Pollack called the MassDOT Board of Directors (Board) to order at 12:08 p.m.

Those present were Chair Stephanie Pollack, Directors Steven Poftak, Tim King, Dean Mazarella, Robert Moylan, Betsy Taylor, Monica Tibbits-Nutt, and Joseph Sullivan being a quorum of the Board of Directors of the Massachusetts Department of Transportation (Board).

Also present were Highway Administrator Jonathan Gulliver, Registrar Erin Deveney, Rail and Transit Administrator Astrid Glynn, MassDOT Chief Financial Officer David Pottier, Fiscal and Management Control Board (FMCB) Chair Joe Aiello, General Manager Luis Ramirez, Owen Kane, Marie Breen, Nathan Peyton, Scott Hamwey, Jack Wright, Deputy General Manager Jeffrey Gonneville, John Dalton, Tom Donald.

Chair Pollack opened up the public comment session.

The first speaker, Tom Nally from A Better City, commented on the I-90 Allston Project and submitted written remarks.

Next, Barrett Wallman (inaudible) commented on bike lanes on Route 30.

Next, Fred Salvucci former State Transportation Secretary, commented on the Allston I-90 Project and the Red-Blue Line Connector.

Next, Richard Prone MBTA Advisory Board representative from Duxbury, commented on south of Boston evening commuter rail.

The public comment session concluded at 12:20 p.m.

Next, was the approval of the minutes of the September 17, 2018 meeting.

On motion duly made and seconded, it was:

VOTED: To approve the minutes of September 17, 2018.

Next, Chair Pollack noted for the record that the reports from the Aeronautics Administrator, Rail and Transit Administrator and Registrar of Motor Vehicles were written submittals and are included in their Board Book.

Next, Chair Pollack provided the Report of the Secretary/CEO, Chair Pollack updated the Board on: Allston-Multi Modal Independent Review Team Report and next steps; Boston/North Major Projects coordination – construction

impacts and MBTA buses; Municipal Small Bridge Program; RTA Task Force; Transit Grant Program Awards; and RMV wait times, as set forth in the attached document labeled "Secretary's Report, October 15, 2018."

Next, the Chair called upon Highway Administrator to present Agenda Item 3, the Highway Administrator's Report. Mr. Gulliver discussed and updated the Board on: the South Boston Bypass Road and HOV Pilot Re-Evaluation Program; Snow and Ice 2018-2019 Preparation; Major Projects – North Shore and regional impacts; Alford Street Bridge Deck Repairs; Tobin Bridge Deck Repairs and Lane Closure; North Washington Street Bridge and Chelsea Viaduct - Route 1, as set forth in the attached document labeled "Highway Administrator's Report, October 15, 2018." Discussion ensued. Director Moylan commented that plans had been well planned and that the Capital Programs Committee agrees that mitigation efforts have been well thought out.

Next, Chair Pollack called upon Director of Bridge Manager Projects Tom Donald, with contribution from Deputy General Manager Jeff Gonneville and Secretary Pollack relative to MBTA mitigation efforts, to present Agenda Item 7, Chelsea Viaduct Contract. Mr. Donald provided the Board with an overview of the requested action as it relates to the Chelsea viaduct and relative work noting that the rehabilitation is a critical step toward meeting MassDOT's bridge conditional goals and improving safety. The project has been sequenced to minimize traffic impacts and to dovetail with the construction on the Tobin Bridge

and avoids the need to further impact the Chelsea community at a later date. Mr. Donald discussed the project benefits, scope of work, construction schedule, work schedule, construction mitigation, project costs and scheduled public outreach, as set forth in the attached documents labeled "Viaduct Bridge Repairs and Related Work Contract, October 15, 2018." Discussion ensued.

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 award and execute, in the name and on behalf of the Department, and in a form approved by the General Counsel, a certain Highway Division Contract entitled, Chelsea Viaduct Bridge Repairs and Related Work (including Painting) Br. Nos. C-09-007 & C-09-0111 Route 1 over Various Streets and MBTA Commuter Rail" with Skanska McCourt II JV in the amount of \$169,371,930.00 with a contract duration of 967 calendar days.

Next, Chair Pollack called upon Mr. Gulliver to present Agenda Item 8, Littleton Bridges Contract. Mr. Gulliver discussed the scope of work to be performed which will resurface 6 lanes of Interstate 495, including bridge deck resurfacing of 5 bridges. Mr. Gulliver discussed the project schedule, project costs and construction schedule, as set forth in the attached document labeled, "Littleton-Westford Resurfacing and Related Work, October 15, 2018." Discussion ensued.

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 award and execute, in the name and on behalf of the Department, and in a form approved by the General Counsel, a certain Highway Division Contract No. 104116 entitled, “Resurfacing and Related Work in (including 5 Bridges) along Sections of Interstate 495 (Blue Star Memorial Highway)” with Aggregate Industries – Northeast Region, Inc., in the amount of \$15,398,688.83, based on a schedule of full unit prices, said contractor, being the lowest responsible and eligible bidder in response to requests for sealed proposals.

Next, Chair Pollack called on Chief Financial Officer David Pottier to present

Agenda Item 9, Potential Swap Termination/Bond Structuring. Mr. Pottier provided a second touch of a previously discussed transaction and communicated recent changes and a summary of transaction benefits, highlights, considerations and savings. Mr. Pottier concluded with a revised transaction schedule, as set forth in the attached document labeled “\$443,165,000* Massachusetts Department of Transportation Metropolitan Highway System Revenue Refunding Bonds (Subordinated) Commonwealth Contract Assistance Secured \$371,380,000 Variable Rate (Term Rate), 2018 Series B \$71,785,000 2018 Series, October 15, 2018.” Discussion ensued. Mr. Pottier will return to both the Finance and Audit Committee and the full Board prior to the final consummation of this transaction.

The Swap Termination presentation was not verbally presented, but is set forth in the attached document labeled “JP Morgan Basis Swap Termination Phase Two: De-Risking the Swap Portfolio Board of Directors Meeting, October 15, 2018.” Discussion ensued.

On motion duly made and seconded, it was voted, as amended:

ISSUANCE RESOLUTION

WHEREAS, the Massachusetts Department of Transportation (the “Department”) has determined that it is necessary and desirable at this time to issue MHS Bonds (hereinafter defined) under Chapter 6C of the Massachusetts General Laws, as amended (the “Act”) for the purpose of refinancing bonds previously issued by the Department in 2010 that refinanced bonds issued by the Massachusetts Turnpike Authority, as predecessor to the Department, pursuant to Chapter 81A of the Massachusetts General Laws;

NOW, THEREFORE, BE IT RESOLVED by the members of the Board of the Department, pursuant to the Act, as follows:

- 1. The Department hereby approves and adopts the Twelfth Supplemental Metropolitan Highway System Trust Agreement by and between the Department and The Bank of New York Mellon, as trustee (the “Twelfth Supplemental Trust Agreement”) in substantially the form presented to this meeting with such changes as may be deemed necessary or desirable by the Chairperson or the Chief Financial Officer of the Department or any other officer or employee of the Department designated by the Chairperson or the Chief Financial Officer (each, an “Authorized Officer”), acting singly, the definitive form of which Twelfth Supplemental Trust Agreement to be evidenced conclusively by execution thereof by an Authorized Officer and attestation by the General Counsel of the Department.**

2. Two series of bonds, designated (i) “Metropolitan Highway System Revenue Refunding Bonds (Subordinated), Commonwealth Contract Assistance Secured Variable Rate, 2018 Series B” (the “2018B Bonds”) and (ii) “Metropolitan Highway System Revenue Refunding Bonds (Subordinated), Commonwealth Contract Assistance Secured, 2018 Series C” (the “2018C Bonds” and collectively with the 2018B Bonds, the “MHS Bonds”), are hereby authorized to be issued by the Department pursuant to the Twelfth Supplemental Trust Agreement. Each Authorized Officer, acting singly, is authorized to approve the specific terms of the MHS Bonds, including without limitation the aggregate principal amount of which shall not exceed \$500,000,000; maturities; the rate or rates of interest per annum or methods of determining the rate or rates of interest; redemption provisions including premiums, if any; optional and mandatory tender provisions, if any, method, place, frequency, and medium of payment of principal and interest; denominations; form of issuance, whether certificated or book-entry; designations concerning priority of lien on pledged revenues; credit enhancement features; the application of proceeds thereof and other available funds of the Department; and any other terms of the MHS Bonds. As provided in the Act, the issuance and sale of the MHS Bonds shall be subject to the approval of the Secretary of Administration and Finance. The forms of the bonds, in substantially the form contained in the Twelfth Supplemental Trust Agreement, are hereby approved with such changes as may be deemed necessary or desirable by any Authorized Officer, the definitive forms of which MHS Bonds shall be evidenced conclusively by the execution thereof by the manual or facsimile signature of the Chairperson and Treasurer of the Department and shall bear the official seal of the Department or a facsimile thereof, attested to by the signature of a duly appointed officer of the Department, as provided in the Act.

3. The MHS Bonds are hereby authorized to be issued from time to time pursuant to one or more supplemental trust agreements in form substantially similar to the Twelfth Supplemental Trust Agreement, with such changes in each case as may be deemed necessary or desirable by any Authorized Officer, the definitive form of each such additional supplemental trust agreement to be

evidenced conclusively by the execution thereof by an Authorized Officer and attested to by the General Counsel of the Department, provided that the aggregate principal amount of MHS Bonds to be issued under all such supplemental trust agreements, including the Twelfth Supplemental Trust Agreement, may not exceed the maximum principal amount authorized hereunder.

4. The Department hereby authorizes the execution and delivery by any Authorized Officer, acting singly, of a contract of purchase with respect to the MHS Bonds (the "Purchase Contract") in substantially the form presented to this meeting with such changes as may be deemed necessary or desirable by any Authorized Officer, acting singly, the definitive form of such Purchase Contract to be evidenced conclusively by the execution thereof by an Authorized Officer. The sale of the bonds to the underwriters identified on Schedule A attached hereto and such other underwriters, if any, as may be selected by any Authorized Officer on the terms and conditions approved by such Authorized Officer is hereby approved. Each Authorized Officer, acting singly, is hereby authorized to approve any and all of the terms of such sale and such approval shall be evidenced conclusively by the execution of the Purchase Contract by an Authorized Officer.

5. The Department hereby approves and authorizes the distribution of a Preliminary Official Statement with respect to the MHS Bonds (the "Preliminary Official Statement") to the extent determined to be necessary or advisable by the Authorized Officers in connection with the offering of the MHS Bonds, in substantially the form presented to this meeting, with such changes, omissions, insertions and revisions as the Authorized Officers, each of whom is authorized to execute such Preliminary Official Statement, shall deem necessary or advisable; provided, however that prior to any distribution of the Preliminary Official Statement the Chief Financial Officer of the Department shall have consulted with Director Taylor. The final Official Statement is hereby approved in substantially the same form as the Preliminary Official Statement, and the Authorized Officers are hereby authorized to permit the distribution of a final Official Statement, with such changes, omissions, insertions and

revisions as the Authorized Officers, each of whom is hereby authorized to execute such final Official Statement, shall deem necessary or advisable. Each Authorized Officer, acting singly, is hereby authorized to deliver or cause to be delivered to the underwriters, said final Official Statement, the definitive form of which shall be evidenced by a certificate of an Authorized Officer.

6. The Department hereby authorizes the execution and delivery by any Authorized Officer, acting singly, of a refunding trust agreement, by and between the Department and a refunding trustee to be named therein (the "Refunding Trust Agreement") in substantially the form presented to this meeting with such changes as may be deemed necessary or desirable by any Authorized Officer, acting singly, the definitive form of such Refunding Trust Agreement to be evidenced conclusively by the execution thereof by an Authorized Officer.
7. The Department hereby authorizes the execution and delivery by any Authorized Officer, acting singly, of a continuing disclosure agreement with respect to the MHS Bonds, by and between the Department and a trustee to be named therein (the "Continuing Disclosure Agreement") in substantially the form presented to this meeting with such changes as may be deemed necessary or desirable by any Authorized Officer, acting singly, the definitive form of such Continuing Disclosure Agreement to be evidenced conclusively by the execution thereof by an Authorized Officer.
8. In connection with the refunding of the outstanding bonds of the Department with the proceeds of the 2018B Bonds, the Department hereby endorses the memorandum dated August 24, 2018 of Omnicap Group LLC, the Department's independent registered municipal advisor, and further authorizes (i) the termination of one or more transactions entered into under the ISDA Master Agreement dated as of May 22, 2001, by and between the Department and UBS AG and relating to the Department's subordinated MHS bonds and the Amended and Restated Schedule dated as of October 20, 2009 (collectively, the "UBS Master Agreement"), provided that in the event the MHS Bonds cannot be issued as intended by this Issuance

Resolution, each Authorized Officer, acting singly, is further authorized to pay such amount or to modify the fixed rate payable under the applicable transactions or both, as is necessary to continue the terminated transactions and (ii) the replacement of one or more of the transactions entered into under the UBS Master Agreement by the execution and delivery by any Authorized Officer, acting singly, of an ISDA Master Agreement, by and between the Department and any of Citibank, N.A., Barclays Bank PLC or Bank of America, N.A., or any combination of such firms as an Authorized Officer shall determine to be most advantageous to the Department, and any documents related thereto including without limitation the Schedule to the ISDA Master Agreement, Confirmations thereunder and a Credit Support Annex (collectively, the “Swap Documents”), all in substantially the forms presented to this meeting with such changes as may be deemed necessary or desirable by any Authorized Officer, acting singly, the definitive forms of such Swap Documents to be evidenced conclusively by the execution thereof by an Authorized Officer.

9. **Each Authorized Officer, acting singly, is hereby further authorized and directed to do all acts and things, and to execute and deliver any and all documents, certificates and other instruments necessary or desirable to effectuate the transactions contemplated by this Issuance Resolution, the Twelfth Supplemental Trust Agreement, the Purchase Contract, the Preliminary Official Statement, the final Official Statement, the Continuing Disclosure Agreement and the Swap Documents, including without limitation entering into any indemnification agreements, letters of instructions pertaining to the Bonds to be refunded, certificates as to disclosure and certificates as to tax matters.**

This Issuance Resolution shall take effect immediately

Next, on motion duly made and seconded, it was;

VOTED:

That the Department hereby authorizes the termination of the ISDA Master Agreement, dated as of June 18, 1999 (the “Master Agreement”), by and between Morgan Guaranty Trust Company of New York and the Massachusetts Turnpike Authority and all related documents and transactions entered into thereunder, on such terms and conditions as the Chairperson or the Chief Financial Officer of the Department or any other officer or employee of the Department designated by the Chairperson or the Chief Financial Officer (each, an “Authorized Officer”), acting singly, may determine, including without limitation, payment of a termination amount determined in accordance with the Master Agreement.

That each Authorized Officer, acting singly, is hereby further authorized and directed to do all acts and things and to execute and deliver any and all documents, certificates and other instruments necessary or desirable to effectuate the transactions contemplated by this vote, which shall take effect immediately.

At the call of Chairman Joseph Aiello, a meeting of the Fiscal and Management Control Board (FMCB) was called to order at 1:43 p.m. at the State Transportation Building, Transportation Board Room, 10 Park Plaza, Boston, Massachusetts joining the MassDOT Board of Directors (Board) Meeting for Joint Board presentations.

Secretary Pollack called upon Chair Aiello to present Agenda 10, the report from the Fiscal and Management Control Board. Chair Aiello provided the

Board with actions taken and topics discussed at the last three meetings of the FMCB.

Chair Aiello stated that on September 17 the FMCB received a summary of the demographics/land use analysis from the Red-Blue Connector re-assessment which focused on growth and changes in population trends since the 2019 DEIR. MBTA operations briefed the Board on transit services in Chelsea, including efforts to improve the commute for riders of the 11 bus, the new SL3 service and new transfer options at the commuter rail station in Chelsea. A 90-day follow-up will be presented to the FMCB in December.

Chair Aiello continued noting that at the September 24 meeting, General Manager Ramirez shared improvements to bus location tracking and arrival prediction systems, and introduced the MBTA's pilot commuter rail program with UMass Lowell. The FMCB heard updates on PTC progress to date. Also, the FMCB was provided a four-part system-wide update on bus service including the fleet, facilities, Better Bus Project, network re-design and performance metrics. Human Resources and the Commuter Rail team also provided updates to the FMCB.

Chair Aiello continued with highlights of the October 1 meeting: including a discussion about a new advanced hybrid-diesel-electric bus that will be tested for potential use in silver line transit way; the recent 2018 Bus Roadeo which was

won by Operator Willis Rose, a five-time winner; planned Green Line D Branch signal replacement activities and service impacts; a recap of FY18 capital programs efforts and a look-ahead for FY19 spending; an introduction to the Blue Line Modernization Program and an update on the Red/Orange Line Program; and an update on the early morning pilot ridership and the marketing and outreach efforts for the late night bus service.

Chair Aiello continued noting that the FMCB had approved contracts for signal system upgrades and for vehicle engineering services and approved a contract option to replace the bus fleet's oldest diesel buses with 194 new low-floor advanced diesel-electric hybrid buses. Lastly, the FMCB voted to approve a contract for design and engineering services for commuter rail station improvements and track work at Worcester's Union Station.

Next, Chair Pollack called upon Manager of Long Range Planning Scott Hamway to present Agenda Item 11, an update on the Commuter Rail Vision. Mr. Hamway provided progress of the project since July, namely continuation of the stakeholder outreach process, development of line-level service concepts and initiation of Tier I evaluation using sketch tools.

Mr. Hamway discussed four service concept ideas including the benefits, tradeoffs and implications of each idea: Express or Zonal Express; Skip Stop Service; Urban Rail; New Connections/Increased Capacity and Combining

Service Concepts, Urban Rail and Zonal Express. Mr. Hamwey emphasized that not all service concepts will make sense for all lines at all times. Chair Pollack, Chair Aiello and Director Poftak contributed to the discussion.

Director Sullivan expressed his preference for the New Connections/Increased Capacity scenario, noting it most likely would be the most difficult to achieve. Chair Aiello agreed with Director Sullivan on this concept. Chair Pollack suggested it was time to think about pilots for FY20. Director Poftak noted that the final concept combining service, Urban Rail and Zonal Express, should be examined more for consideration.

Mr. Hamwey concluded with next steps on Rail Vision, as set forth in the attached document labeled, "Rail Vision, October 15, 2018." Discussion ensued.

Next, Chair Pollack called upon Green Line Extension Program Manager John Dalton to present Agenda Item 12, the Green Line Extension (GLX) update. Mr. Dalton prefaced his presentation noting that the GLX project was on its way to becoming a successful project. Mr. Dalton updated the Board on the station design progress, construction activities, track shift information commencing late October or early November, and upcoming activities. Mr. Dalton concluded with dashboard graphics on staffing, as set forth in the attached document labeled, "Green Line Extension Update, October 15, 2018." Discussion ensued. Both Chairs acknowledged the GLX team for their great work.

Next, Chair Pollack called upon Engineer Jack Wright from Weston and Sampson to present Agenda Item 13, an update on the I-90 Allston Multimodal project and briefing from the Independent Review Team on the Throat.” Mr. Wright previewed the Independent Review Team Report to the Secretary on an evaluation of alternatives for “The Throat” which would be released on Wednesday at the Task Force meeting and followed by a 30-day review and comment period. Mr. Wright reviewed the findings contained in the report and discussed how the process would address the proposed Elevated Multi-Use path concepts submitted by a Better City on October 5, 2018. Mr. Wright concluded his presentation summarizing the upcoming schedule and next steps on reaching a preferred alternative for the Throat, as set forth in the attached presentation labeled, “I-90 Allston Intermodal Project, Independent Review Team Report, October 15, 2018.” Discussion ensued.

Chair Aiello questioned when the FMCB would have a presentation on what the tradeoffs would be in order to have a bus deck at West Station. Mr. Aiello also requested a review of the drawings with a physical layout and inclusion of a bus deck, noting that he had requested this over six months ago.

On motion duly made and seconded, it was;

**VOTED: to adjourn the MassDOT Board of Directors Meeting at
3:21 p.m.**

Documents relied upon for this meeting:

Minutes of September 17, 2018

Aeronautics Division Report, October 15, 2018

Rail and Transit Administrator's Report, October 15, 2018

Highway Administrator's Report, October 15, 2018

Registrar of Motor Vehicles Report, October 15, 2018

Secretary and CEO Report, October 15, 2018

Littleton-Westford Bridges Presentation, October 15, 2018

Chelsea Viaduct Bridge Repairs Presentation, October 15, 2018

Commuter Rail Vision, October 15, 2018

Green Line Extension Update, October 15, 2018

I-90 Allston Intermodal Project, Independent Review Team Report, October 15, 2018

Phase Two: De-Risking the Swap Portfolio, October 15, 2018

Phase Two: De-Risking Strategies for the Variable Rate Bond and Swap Portfolios, October 15, 2018