

# Deputy General Manager/Chief Financial Officer

- Budget
- Information Technology
- Materials Management
- Compliance and Reporting
- Treasurer/Controller



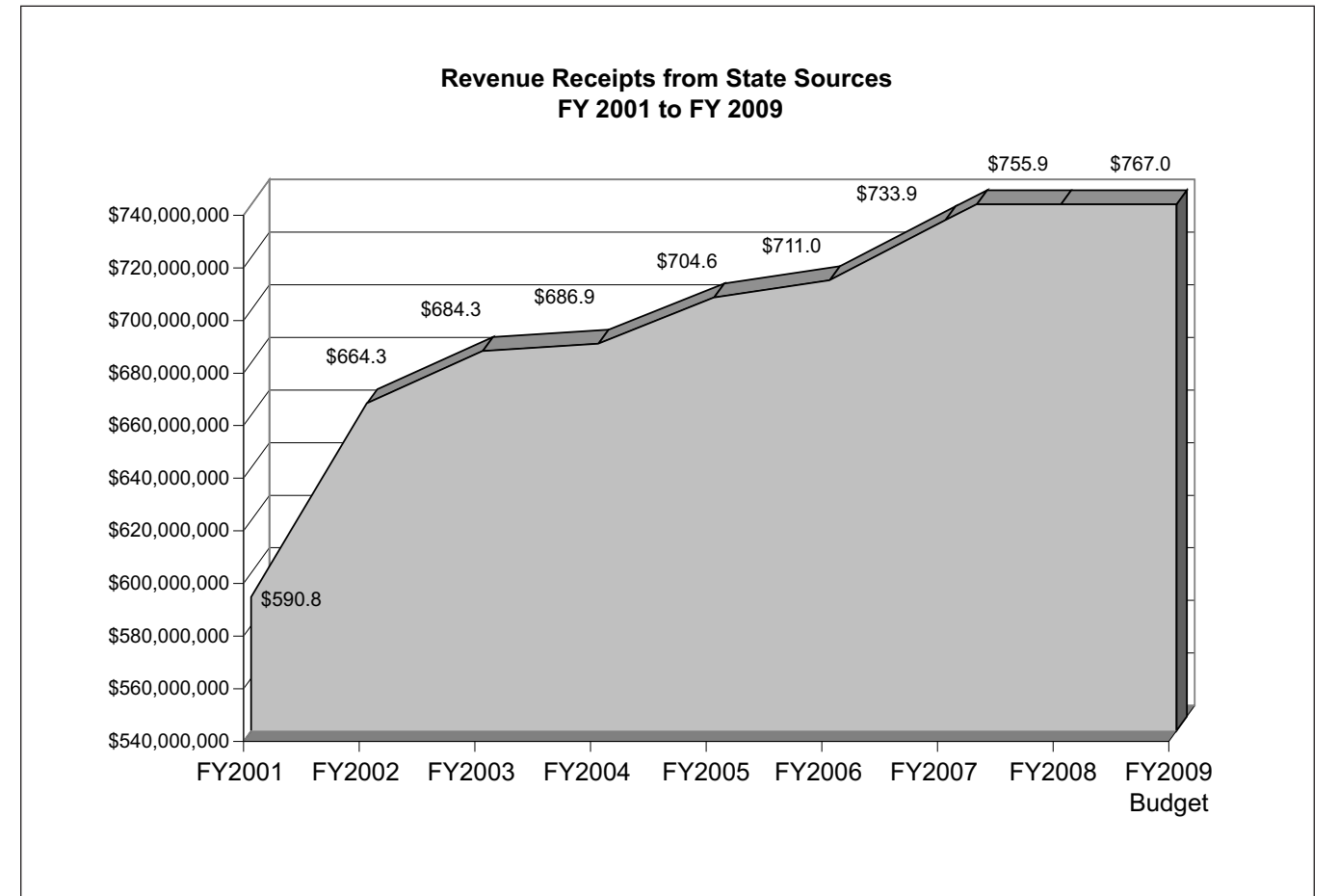
# Budget Department

The Budget Department implements and monitors the allocation of financial resources within the MBTA. Established budgets ensure that the Authority's goals will be prioritized and met in the most cost-efficient manner.

The Budget Department works with the Authority's managers to develop operating and capital budget programs and the five-year Capital Investment Program. In addition, the Department works to identify and secure federal and local funding on the Authority's behalf. Capital projects are analyzed in the context of needs and available resources. The Department analyzes requests for resources, identifies funding sources, monitors staffing levels and provides financial and statistical data to support the MBTA's decision-making process.

PROGRAM	ACTIVITY	MEASURE	FY09 BUDGET
Operating Budget	Prepare operating budget request	Develop annual operating budget and submit to Board of Directors and Advisory Board Produce and distribute annual Budget Book	\$238,662
	Financial control	Monitor operating expenses and initiate corrective measures to ensure adherence to budget Review contracts, purchase order requisitions, travel authorizations, and staff summaries for approval	
	Reports	Prepare financial performance reports – weekly Prepare regular and overtime spending reports – weekly Prepare headcount variance report – monthly	
Capital Budget	Program capital projects/funding	Develop, manage and update the five-year Capital Investment Program Analyze Capital Program cash requirements Assist in the preparation of the Program for Mass Transit and the Transportation Plan (25-year planning documents)	\$224,012
	Financial control	Monitor sources/uses of capital funds Maintain/update project budgets on the Capital Management System Review for approval all capital work order authorization requests – 100 monthly Review for approval all capital purchase order requisitions – 50 monthly	
	Conduct analysis of capital spending/financing	Prepare capital budget analyses	

PROGRAM	ACTIVITY	MEASURE	FY09 BUDGET
Federal Program	Legislative effort	Monitor and prepare recommendations relative to federal transit legislation Identify annual federal transit funding levels	\$173,030
		Federal Transit Administration (FTA) Grant Program	
<b>TOTAL BUDGET</b>			<b>\$635,704</b>



# Information Technology Directorate

The Internet and other new information and communication technologies are revolutionizing the way services are delivered and organizations are structured. Electronic business processes change the ways organizations operate and conduct business. Opportunities to lower transaction costs and improve efficiency have changed relationships between transit agencies and their suppliers and customers, and they are likely to change industry structures in the longer term.

The declining costs of communications, data storage, and data retrieval are accelerating the opportunities spawned by the Internet and other information and communications technologies. Choosing and sequencing investments in technologies, processes, and people to reduce costs and increase productivity present challenges to the MBTA. ITD assists internal partners to weigh the costs, benefits, and risks of changing the ways services are delivered.

ITD will be crafting and implementing Infrastructure and Desktop Strategies such as:

- Desktop Strategy:
  - Upgrade MBTA employee personal computing and networking
  - Provide integrated system with single sign-on
  - Retire out-of-date software
  - Assure integrated and secure access to desktop, laptop, email, and Intranet
  - Conversion to Microsoft environment with emphasis on Security, Exchange, Outlook and NAC
  - Utilizing Active Directory allowing integration with Hastus, HCMS and financial systems
- Develop holistic Information Security and Privacy policy
  - Provide training and guidance across organization
  - Achieve Highest Level of PCI Compliance
  - Educate partners and suppliers
- Develop a Storage and Server Computing strategy centering on concepts of Storage Area Network using Blade servers and virtualization
- Implement a transition plan to incorporate the AFC Central Computing System
- Establish a Disaster Recovery/High Availability Capacity Authority-wide
  - Offer internal clients this service for their critical applications and data
- Partner with SMI/Telecom to leverage network and upgrade telephony
  - Better voice mail, employee directory, voice capability
  - Provide better in-house support for Call Center
  - Leverage existing purchases for ACD
  - VoIP development
- Develop an executive “desktop dashboard”

- Partner with Operations Technology
- Identify technology solutions and create views to key databases
- AFC
- Operation Key Performance Indicators

ITD provides ongoing technical support on multi-discipline project teams for the development and implementation of systems such as: a new maintenance control reporting system (MCRS); Automated Fare Collection (AFC); enhanced Human Capital Management System (HCMS); financial systems; and application development for DORMS, Maximus, Hastus, AFC and Police CAD/RMS.

Utilizing technology, the MBTA can provide superior customer service that helps us focus on the strategic goal to deliver safe, accessible, dependable, clean, and affordable transportation.

SOUTH STATION TRAIN INFORMATION					
CARRIER	TIME	DESTINATION	TRAIN#	TRACK#	STATUS
MBCR	10:50 AM	PLYMOUTH	063	I3	ON TIME
MBCR	10:50 AM	FORGE PARK/495	709	TBD	ON TIME
MBCR	11:00 AM	FRAMINGHAM	P511	TBD	ON TIME
AMTRAK	11:15 AM	WASHINGTON, DC	2153	TBD	ON TIME
MBCR	11:37 AM	READVILLE	757	TBD	ON TIME
AMTRAK	11:40 AM	WASHINGTON, DC	173	TBD	ON TIME
MBCR	11:57 AM	MIDDLEBORO/LAKEVILLE	009	TBD	ON TIME
AMTRAK	12:00 PM	CHICAGO, IL	449	TBD	ON TIME
MBCR	12:00 PM	NEEDHAM HEIGHTS	613	TBD	ON TIME
MBCR	12:08 PM	KINGSTON	039	TBD	ON TIME
MBCR	12:10 PM	PROVIDENCE	807	TBD	ON TIME
MBCR	12:10 PM	WORCESTER/UNION STATION	P513	TBD	ON TIME
AMTRAK	12:15 PM	WASHINGTON, DC	2165	TBD	ON TIME
MBCR	12:41 PM	GREENBUSH	077	TBD	ON TIME
MBCR	12:45 PM	FORGE PARK/495	711	TBD	ON TIME
MBCR	12:45 PM	READVILLE	759	TBD	ON TIME
MBCR	1:00 PM	FRAMINGHAM	P515	TBD	ON TIME
AMTRAK ARRIVALS					
AMTRAK	11:05 AM	WASHINGTON, DC	190	TBD	ON TIME
AMTRAK	11:52 AM	WASHINGTON, DC	2150	TBD	ON TIME
AMTRAK	12:33 PM	WASHINGTON, DC	170	TBD	ON TIME
AMTRAK	1:51 PM	WASHINGTON, DC	2154	TBD	ON TIME

MBTA RIDERSHIP CONTINUES TO SET A NEW RECORD - SETTING PACE TO SOUTH STATION, OUR MOST POPULAR "T" ALERTS PROGRAM



PROGRAM	ACTIVITY	MEASURE	FY09 BUDGET
Information Technology Services	Maintenance of current applications, operating systems, and hardware	Provide the Operations Control Center System with environmental and network support  Provide support for the Maintenance Control Reporting System, Incident Reporting, and Dispatchers Log System  Support for fuel alley automation  Ensure systems availability for all applications including mission critical ones such as: <ul style="list-style-type: none"> <li>• Capital Management Systems</li> <li>• Collaborative Systems</li> <li>• E-Commerce for pass purchases</li> <li>• Operations Work Selection (PICK) System</li> <li>• Human Capital Management System (HCMS)</li> <li>• Financials &amp; Materials Information System (FMIS)</li> <li>• SCADA</li> <li>• Workers' Compensation System</li> </ul>	\$6,169,353
New Systems and Existing Systems Enhancements	Wide Area Network expansion	Support the AFC network to be PCI DSS compliant by segregating the network, employing firewalls to control access, and placing IDP (intrusion detection protection) devices on the network	\$1,542,338
		Upgrading of existing networks at 10 Park Plaza and 45 High Street for network optimization and security	
	Enhanced functionality for MBTA.com	Mobile MBTA.com; real-time T Alerts; Trip Planner integration with Google maps, translation services, on-line applications for employment	
	Development of Employee IntraNet	Provide a business tool for resource sharing and collaboration, increasing productivity and lowering costs	
	Enhance and expand use of Human Capital Management System (HCMS)	Implementation of additional modules for Payroll and E-Recruit	
	Financials & Materials Information System (FMIS) development and implementation	Increased availability and timeliness of financial information; improved line tracking of materials, purchases, related payments, and committed invoices, new automation of inventory control	
	New MCRS2 System (Maximus)	Support for the CNG bus implementation, real-time interface with materials, and the addition of incident reporting	
Automated Fare Collection System	Support for the AFC implementation, transition of the central computer system		
<b>TOTAL BUDGET</b>			<b>\$7,711,691</b>

## Materials Management

Materials Management purchases, receives, stores, and distributes materials, equipment, and supplies, as well as service contracts to support the activities of all departments. Central stockrooms for inventory materials are located in Everett and Charlestown. Materials from these locations are distributed to 17 satellite locations and many other non-inventory locations, where bus and subway equipment maintenance is performed. Working with the Office of Diversity and Civil Rights, concerted efforts are taken to maximize Disadvantaged Business Enterprise (DBE) involvement in procurement opportunities.

The Vehicle/Systems Procurement Department supports the Authority's capital program related to revenue service vehicles and complex system initiatives. This includes the purchase of and subsequent contract administration efforts for new vehicles, overhaul programs and new systems programs.



# Compliance and Reporting Department

The Compliance and Reporting Department is responsible for providing analysis and recommendations to the Chief Financial Officer on a variety of issues and functions that support the financial activities of the MBTA. One of the primary responsibilities of the Compliance and Reporting Department is to oversee and manage the filing of financial reports and financial compliance matters. In addition, the Department undertakes projects that support other departments under the purview of the Chief Financial Officer, including the Treasurer-Controller and Budget departments. Staff also contributes to the development and implementation of debt strategy and the debt issuance process, management of the long-term financial plan of the MBTA, provides forecasting guidance and relevant trend analysis, as well as the solicitation and evaluation of financial proposals submitted to the MBTA by investment bankers, consultants and other entities on a variety of issues. At the request of the Chief Financial Officer, staff also provides oversight and management of special projects and the development of new financial policies, including a variety of cross-organizational and non-fare revenue initiatives.

PROGRAM	ACTIVITY	MEASURE	FY09 BUDGET
<b>Procurement</b>	Evaluate, plan and procure inventory and non-inventory materials requirements	Comply with purchasing policies and procedures; focus attention on the FTA's recommendations  Optimize Central Stores inventory levels	\$1,888,942
	Include DBE and Massachusetts firms in MBTA procurement opportunities	Meet DBE participation goals and further development of overall supplier base	
	Expand use of "Best Value" procurements	Obtain goods and services required at the overall best value to the Authority	
	Manage vehicle and major system procurements	Conduct appropriate procurements  Monitor contractual compliance  Support technical staff  Coordinate with related departments/agencies  Resolve and finalize contractual issues	
<b>Storerooms</b>	Evaluate/maintain appropriate stock levels	Review Monthly Valuation reports by Type and Location to insure changes in inventory levels are consistent with fleet adjustments and maintenance activity levels	\$2,404,108
	Maintain accuracy and integrity of inventory through cycle count and physical inventories	Cycle count reports  Physical inventory reports	
	Improve warehouse operations by continual analysis and modification of storage techniques at all of our inventory locations	Track number of transactions versus operating cost ratio  Procure and install module cabinet to improve efficiency	
	Set up facilities and storage equipment to support new vehicle procurement	Track inventory levels by valuation, item count and usage for new vehicles	
	Research and implement new technologies to increase efficiencies	Implement Highjump data collection system and Peoplesoft update	
	Identify and dispose of obsolete materials to free up resources.	Measure actual reduction against annual goal using Obsolescence Report. Goal set at end of current fiscal year	
<b>TOTAL BUDGET</b>			<b>\$4,293,050</b>

PROGRAM	ACTIVITY	MEASURE	FY09 BUDGET
<b>Support of Authority Financial Activities</b>	Compliance and Reporting	Oversee and manage the filing of financial reports and financial compliance matters  Undertake projects that support other departments under the purview of the Chief Financial Officer, including the Treasurer-Controller and Budget departments	\$968,141
	Debt Management	Contribute to the development and implementation of debt strategy and the debt issuance process	
	Financial Planning	Management of the long-term financial plan of the MBTA  Solicit and evaluate financial proposals submitted to the MBTA by investment bankers, consultants and other entities on a variety of issues	
	Forecasting & Trend Analysis	Provide forecasting guidance and relevant trend analysis	
	Project Management	Oversee and manage special projects and develop new financial policies, including a variety of cross-organizational and non-fare revenue initiatives	
	<b>TOTAL BUDGET</b>		

# Treasurer/Controller

The Treasurer/Controller's Department manages the Authority's financial resources, which amount to more than \$1.8 billion in annual cash flow. These include payments, borrowing, investing, accounting, preparation of financial statements, billing and collection of receivables, the purchase of insurance, and revenue collection and counting of cash.

The Treasurer-Controller continues to improve service through aggressive solicitation of financial services, enhanced cash management, and focused integration of the Authority's financial systems.



PROGRAM	ACTIVITY	MEASURE	FY09 BUDGET
<b>MBTA Vendor Payments</b>	Process vendor payments and resolve outstanding issues	Process 74,642 operations vouchers annually Process 6,535 capital vouchers annually	\$237,929
<b>Payroll</b>	Process all employee and retiree payments	Process 25,900 paychecks monthly	\$614,784
	Verify and process timekeeping information	Process 19,900 time records weekly	
<b>Financial Statements and Reports</b>	Prepare monthly, quarterly, and annual accounting and budget reports	Prepare 12 monthly closing statements Prepare quarterly financial status reports for 55 federal grants Prepare the National Transit Database Report (formerly Section 15 Report)	\$1,194,443
	Monitor capital funding, external audits, and fixed assets inventory	Monitor and report all local bond and federal grant expenditures Supervise all audits Oversee update of annual "Indirect Cost Allocation Plan" Manage Authority's Fixed Assets accounting, which includes 11,500 property records	
	Prepare cost assessments	Prepare annual assessment figures of \$146,486,060 and schedules for 175 MBTA communities	
	Manage and control accounts receivable	Process 3,675 bills for collection annually	
<b>Cash Flow and Investments</b>	Provide daily cash management and maximize investments	Invest excess cash in high rate securities through a weekly bid process	\$313,810
	Initiate and coordinate the sale of notes and bonds	Sell bonds and other securities as necessary to fund capital programs	
<b>Insurance Programs</b>	Administer the Authority's insurance program	Purchase and administer cost-effective insurance protection excess of reasonable retentions	\$94,430
	Review contracts for indemnification and insurance provisions	Ensure that contractual exposures are properly insured, commensurate with the level of risk	
<b>Fare Collection and Distribution</b>	Delivery and collection of money	Timely collection, counting, and deposit of fare revenue for 512 fare vending machines and 1,738 fareboxes	\$6,495,015
<b>TOTAL BUDGET</b>			<b>\$8,950,410</b>



