



**Massachusetts Bay
Transportation Authority**

CA Remarks

December 18, 2017



Agenda

- KPMG Annual Required Communications
- Positive Train Control Loan Closing
- Sustainability Bonds: Bond Buyer's Northeast Deal of the Year
- Bus Maintenance/FY18 Budget Reminder



KPMG Annual Required Communications

- KPMG is the MBTA's independent financial statement auditor
- Audit scope was the FY17 consolidated MBTA financial statements in accordance with US GAAP
 - The consolidated statements include both Operating and Capital Financials (i.e., “budgets”)
- FY17 audit was finalized prior to Thanksgiving
- No material adjustments recorded



Positive Train Control Loan Closing

- Efforts to secure funding started more than two years ago
- PTC installation, federally mandated, expected to cost approximately \$459 million
- Federal loan programs guarantee funding for PTC, and lock loans in at extremely low interest rates



Bond Buyer: Northeast Deal of the Year

- MBTA Sustainability Bonds, Northeast Deal winner
- Recognition of T's creditworthiness and commitment to fiscal sustainability
- Funding goes toward sustainable investments and attracts competitive interest that drives down the cost of borrowing
- Bond issuance was a first ever for a public agency



Achieving FY18 Budget deficit requires \$8M in bus maintenance savings

PASSED UNANIMOUSLY BY FMCB

(\$ Millions)

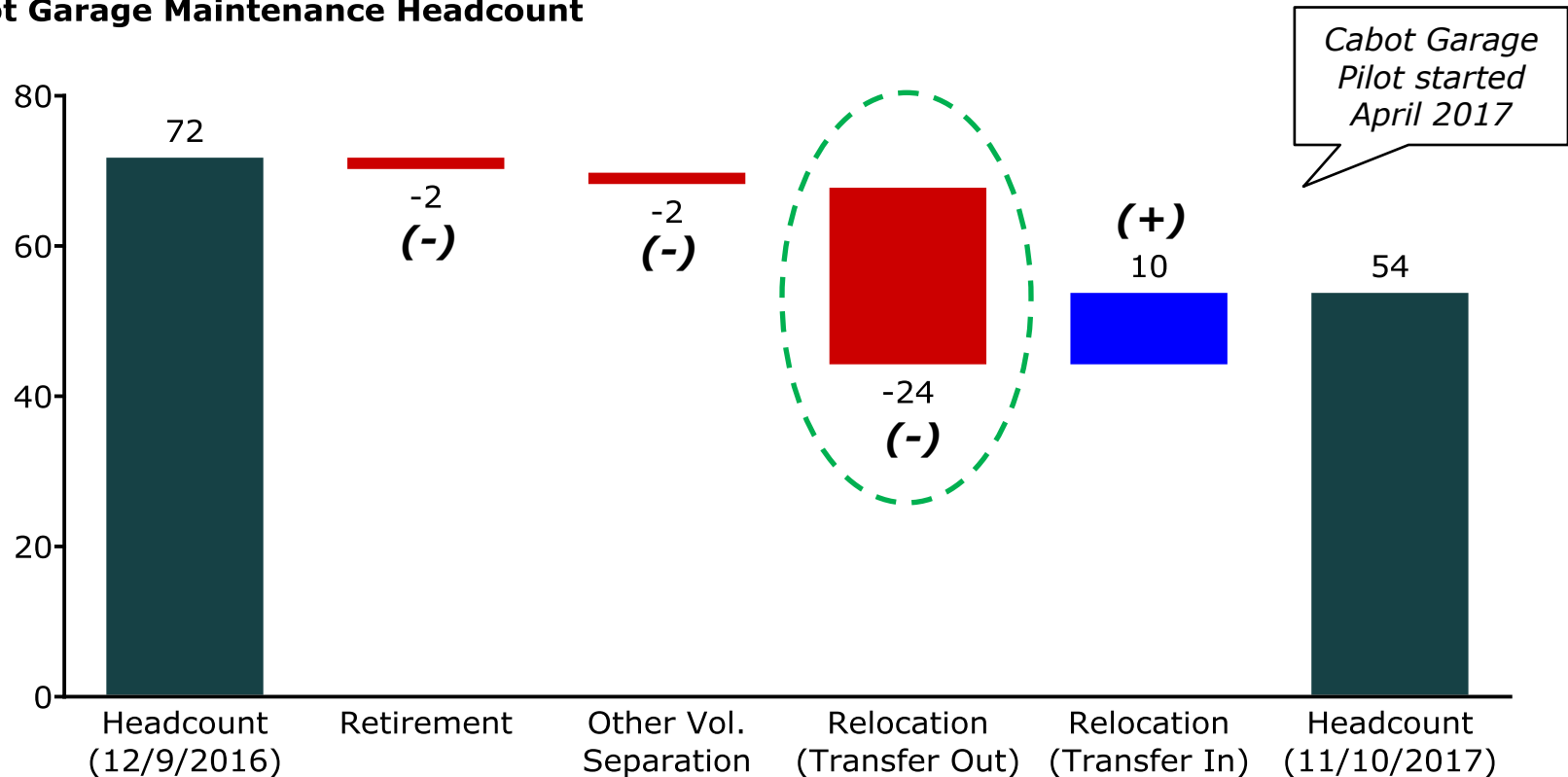
		FULL-YEAR RUN-RATE IMPACT	TARGET DATE	ESTIMATED FY18 IMPACT
BASELINE STRUCTURAL DEFICIT		(\$42)		(\$42)
INCLUDED IN FY18 ITEMIZED BUDGET	Hybrid In-Station Customer Service Model	\$6	8/1/2017	\$6
	RFPs for 4 Smaller Garages*	\$11		
	Cabot Garage Efficiency	\$5		\$8
	Everett Bus Shop	\$5		
	Chelsea Silver Line	(\$5)	1/1/2018	(\$3)
	Strategic Operations Hires	(\$7)	7/1/2017	(\$7)
SUBTOTAL - Adjusted Structural Deficit		(\$27)		(\$38)
FY18 DEFICIT SPENDING	The RIDE	\$3	7/1/2017	\$1
	Commuter Rail	\$5		\$5
	CR Revenue Expansion and Advertising	\$4	1/1/2018	\$2
STRUCTURAL DEFICIT		(\$15)		(\$30)
TARGET PAY-GO TRANSFER AS OPEX SAVINGS ACHIEVED (\$37M – STRUCTURAL DEFICIT)		\$22		\$7

*RFPs have been revised to include only 3 of the MBTA's 9 bus garages, instead of 4 (now 28% of bus fleet instead of 36%)



Bus maintenance staffing has been reduced by 18 positions at Cabot, which has primarily been accomplished via internal transfers

Cabot Garage Maintenance Headcount



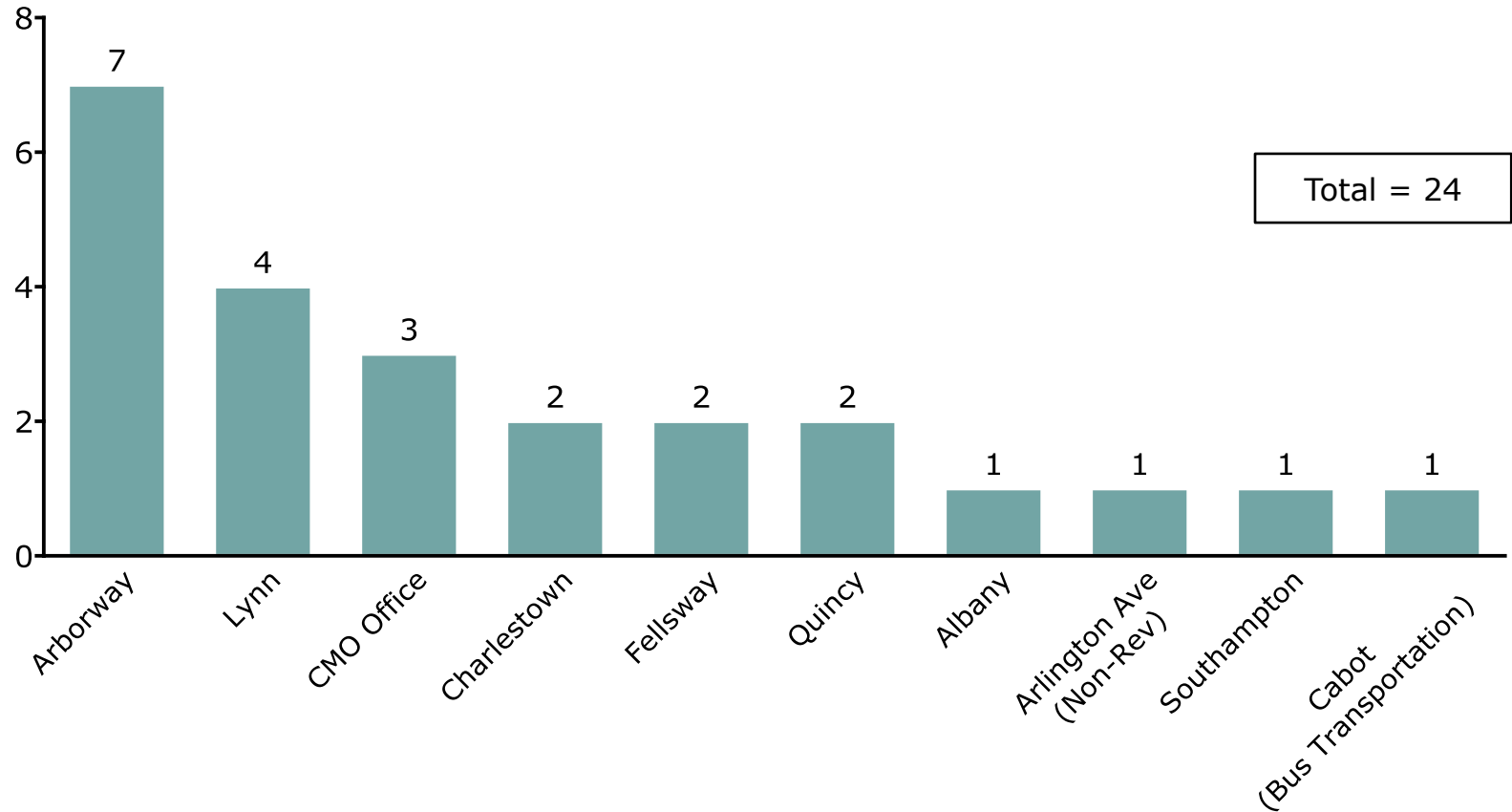
Source: MBTA Internal Data

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Cabot Garage Relocations (transfers out to other garages)

Cabot Garage Transfers Out (12/9/2016 - 11/10/2017)



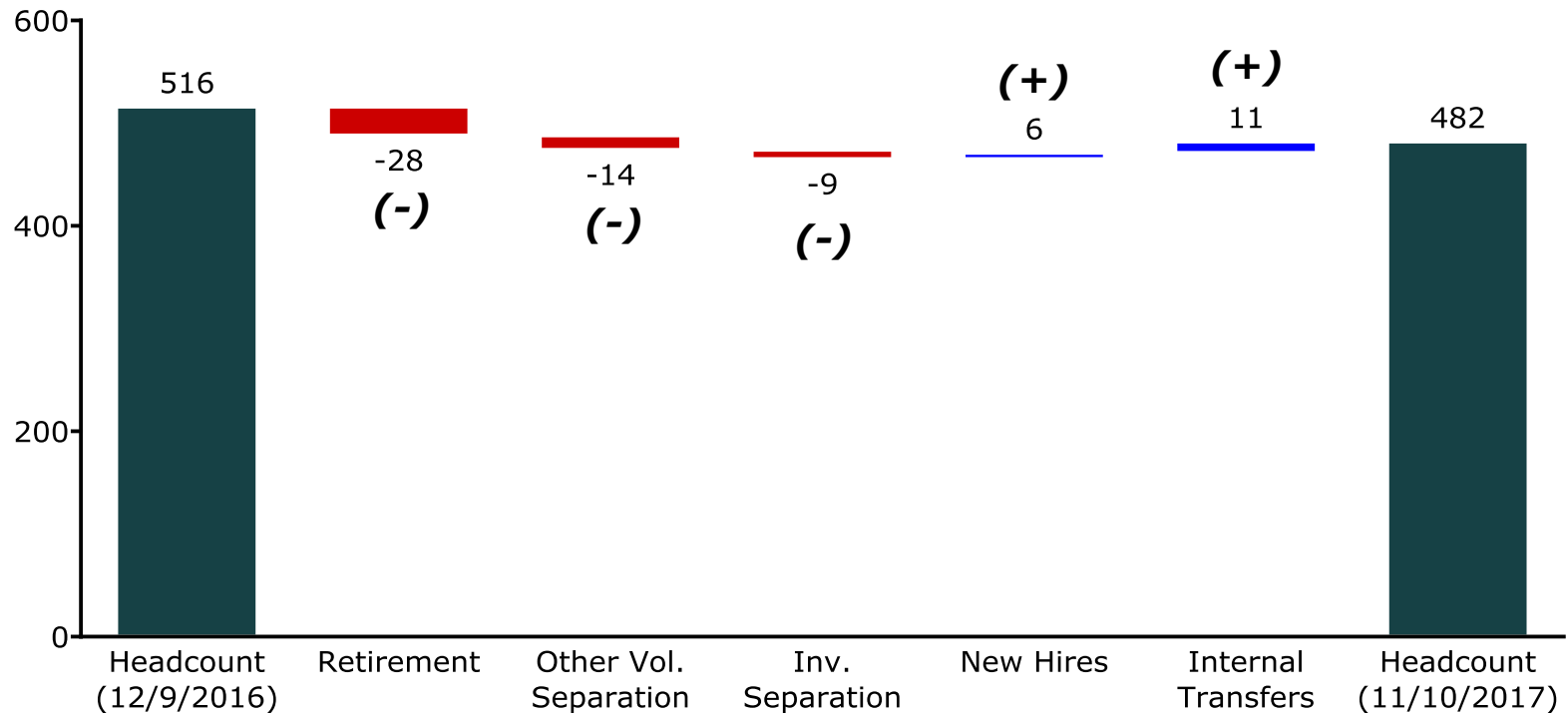
Source: MBTA Internal Data

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Total bus maintenance staffing has been reduced by 34 positions since beginning of Cabot Pilot (including Everett Bus)

Bus Maintenance Headcount*

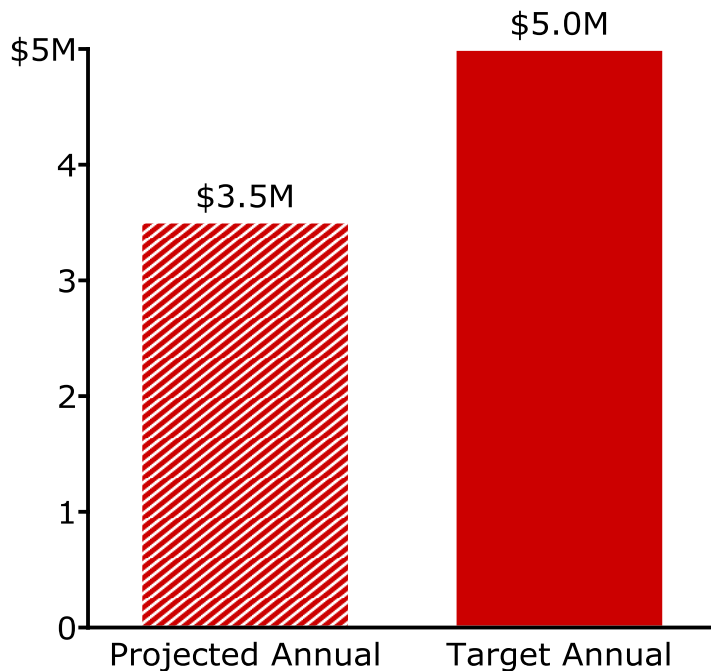


*Excludes Arlington Ave. (Non-revenue shops) and includes Everett Bus;
"bus maintenance" department in SORE includes Non-revenue shops but excludes Everett Bus
Source: MBTA Internal Data

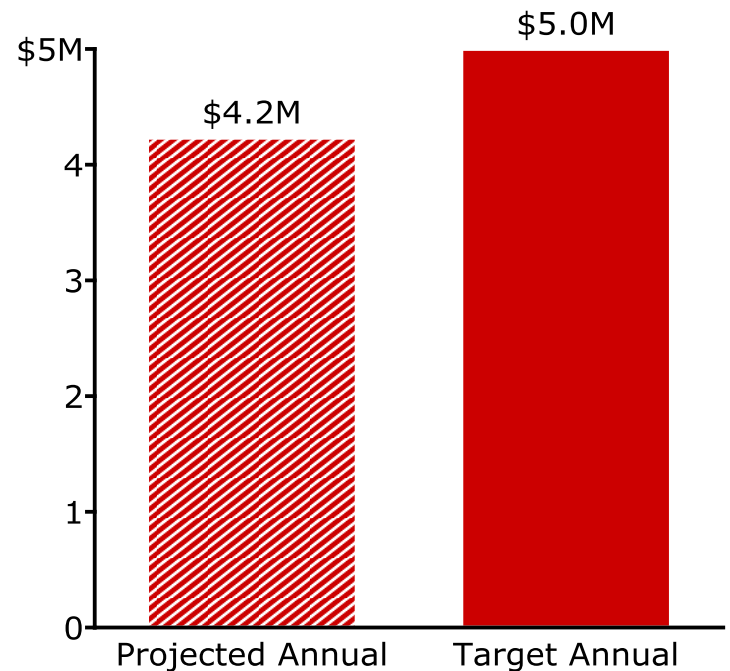


Cabot Pilot and Everett Bus initiatives on pace to hit FY18 budget target of \$8M combined savings; slightly below target annual pace

Cabot Garage Pilot FY18 Savings Projections



Everett Bus FY18 Savings Projections



Source: MBTA Internal Data

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