



**Massachusetts Bay  
Transportation Authority**

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## **GM Remarks**

**12/5/2016**



## MBTA continues to receive proposals through new innovation proposal policy

Examples below:

### **EXAMPLE INNOVATION PROPOSALS:**

#### Late-Night Service\*



**Proposer(s):** Lyft

**Date Received:** 11/29

**Overview:**

- Flexible subsidy program to provide on-demand, late-night Lyft Line service
- Primary audience: late-night workers
- Avg. cost per ride of \$2.75 and avg. MBTA subsidy of less than \$5.00 per ride

#### Mobile Inspection Software



**Proposer(s):** Pavia Systems, MeWe, Inc. (separate proposals)  
**Date Received:** 10/26, 11/10

**Overview:**

- Technology to allow inspectors, engineers, and PMs to instantly log information electronically (eliminate paper)
- Wide variety of potential applications at MBTA (replace any existing paper inspections)

#### Track Inspection Services



**Proposer(s):** ENSCO Rail

**Date Received:** 11/23

**Overview:**

- Hi-Rail track inspection services using the ENSCO Hi-Rail track inspection vehicle
- Vehicle equipped with sensors capable of measuring track geometry and performing signal and communications inspections

\*MBTA has already received separate innovation proposal for late-night service from BRIDJ



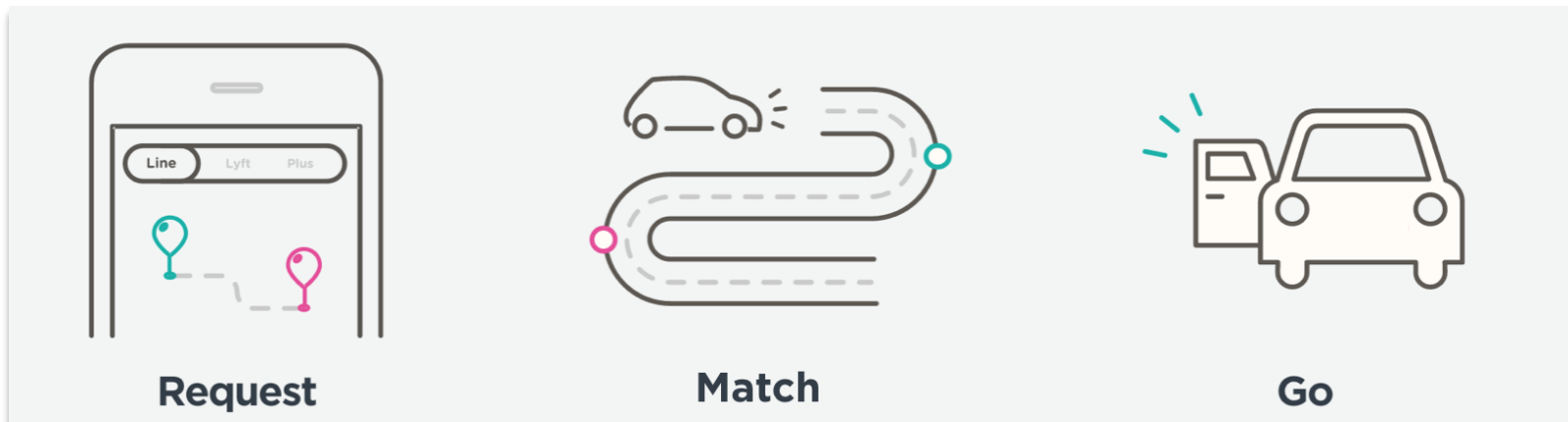
## Lyft Late-Night Service Proposal

### Overview:

- Lyft Line is Lyft's on-demand, shared rides platform.
- Lyft's proposal is 100% flexible. MBTA can set program-specific eligibility requirements and ride restrictions, and Lyft would manage via app. Allows public funds to be targeted to users with the greatest need: late night workers.

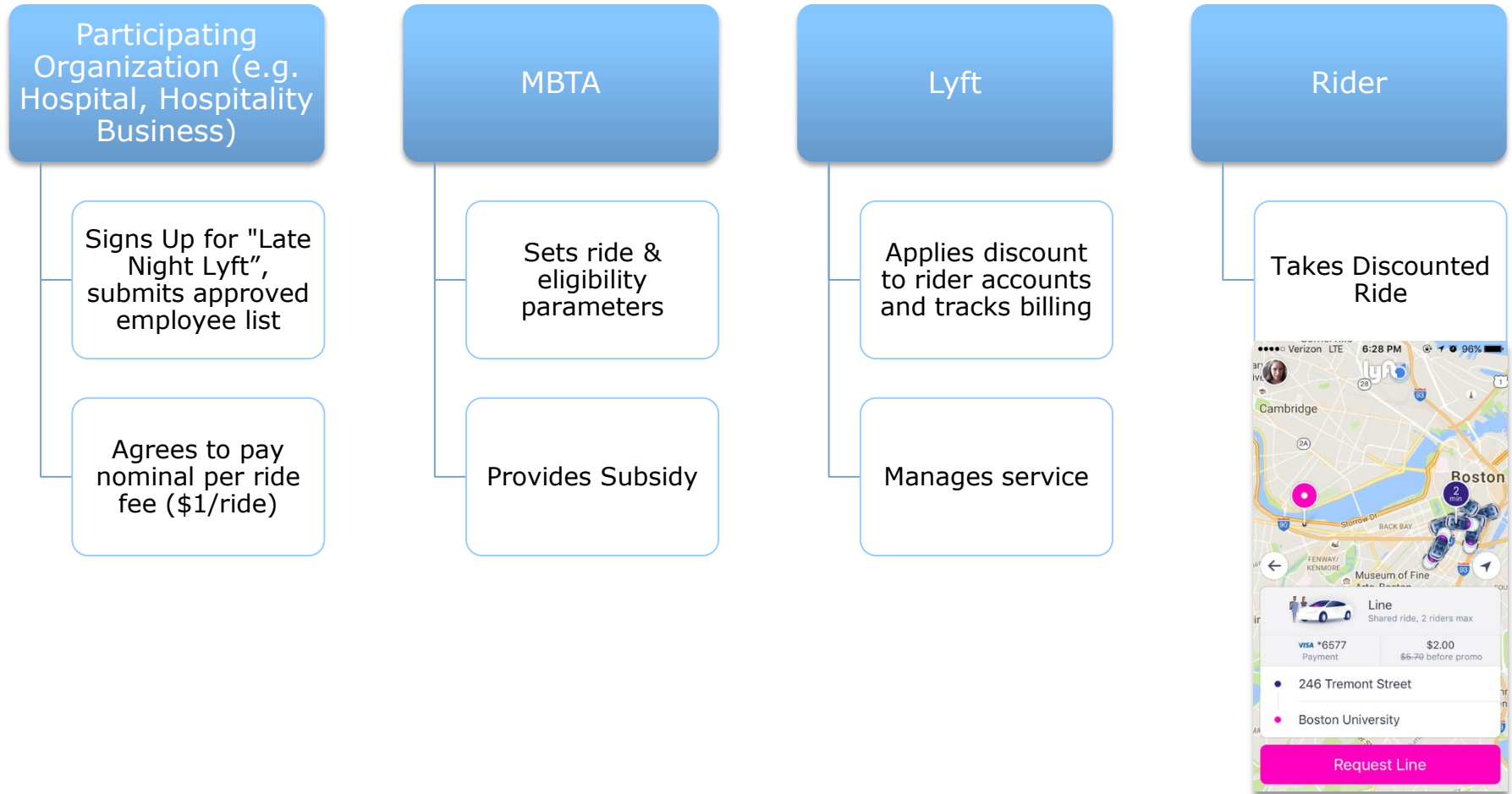
### Objectives:

- Provide late night workers on-demand, point-to-point rides within MBTA's service area, 365 days/year.
- Maintain an average cost per ride for riders equivalent to the price of a bus ticket (\$2.75.)
- Maintain an MBTA subsidy of less than \$5/ride, with no upfront or fixed costs.





## Lyft Late-Night Service Proposal





## Lyft Late-Night Service Proposal

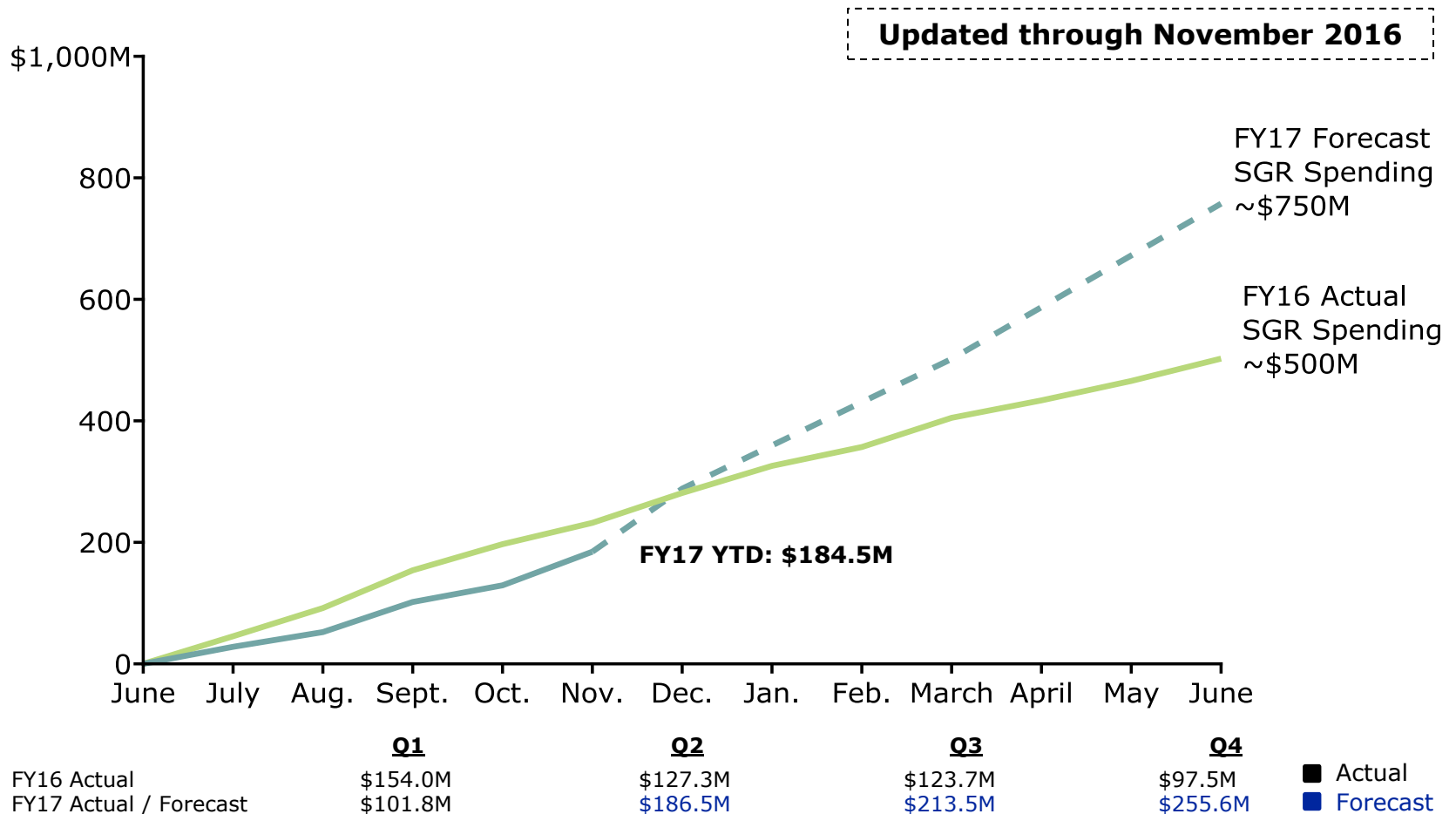
Estimated Ride Costs			
	BU to Dudley Sq	MGH to Central Sq	South Stn to Malden Ctr
Ride Cost:	\$7.10	\$4.32	\$9.61
Org. Subsidy:	(\$1.00)	(\$1.00)	(\$1.00)
Rider Fare:	(\$2.75)	(\$2.75)	(\$2.75)
<b>MBTA Subsidy:</b>	<b>\$3.35</b>	<b>\$0.57</b>	<b>\$5.86</b>
Estimated Annual Costs			
Avg. MBTA Subsidy/Ride:	\$3.50		
# of Rides/Night:	1,000		
# of Rides/Year:	365,000		
<b>Est. Annual Subsidy</b>	<b>\$1.28M</b>		

- ### Overview
- Costs would be funded by three participants.
    - The rider would pay the first \$2.75 of each trip.
    - The rider's employer would be asked to pay a small, per-ride fee to participate.
    - MBTA would fund the balance.
  - The following parameters could be set by MBTA on a per-program level, or across all programs:
    - Set to certain start/end locations (e.g. from each workplace, from/to T stops)
    - Set to certain days and times.
    - Set # of rides per month per rider.
  - There would be no upfront or fixed costs. All parties would only pay for rides used.**



## FY 2017 State of Good Repair (not including expansion projects) Spending Forecast vs. FY 2016 SGR Spend

MBTA Cumulative Capital Spending Through Year



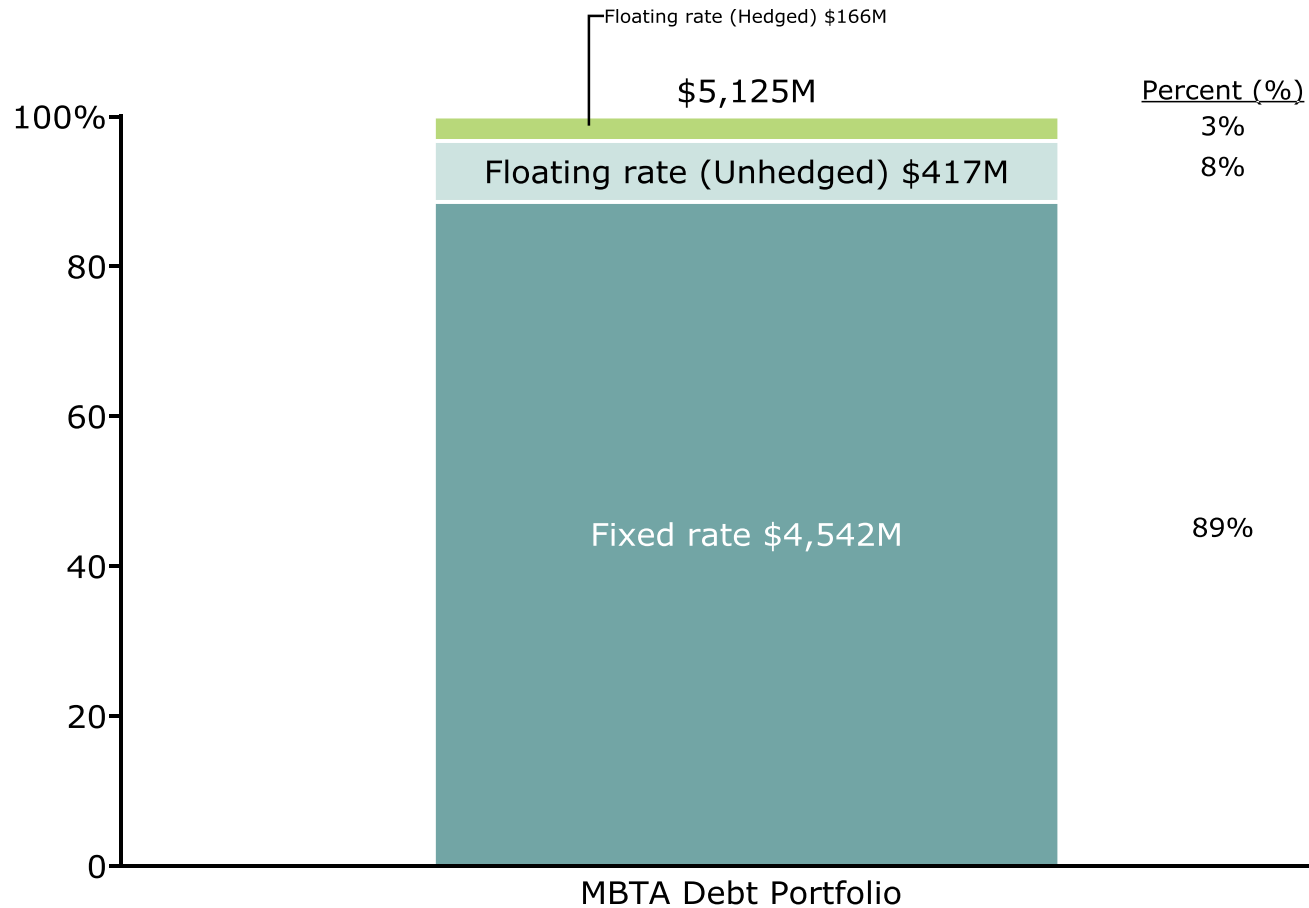
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**MBTA has a Total of \$5.1B in Outstanding Debt as 12/5/2016**  
**We will Make \$344M in Scheduled Amortization Payments during FY17**

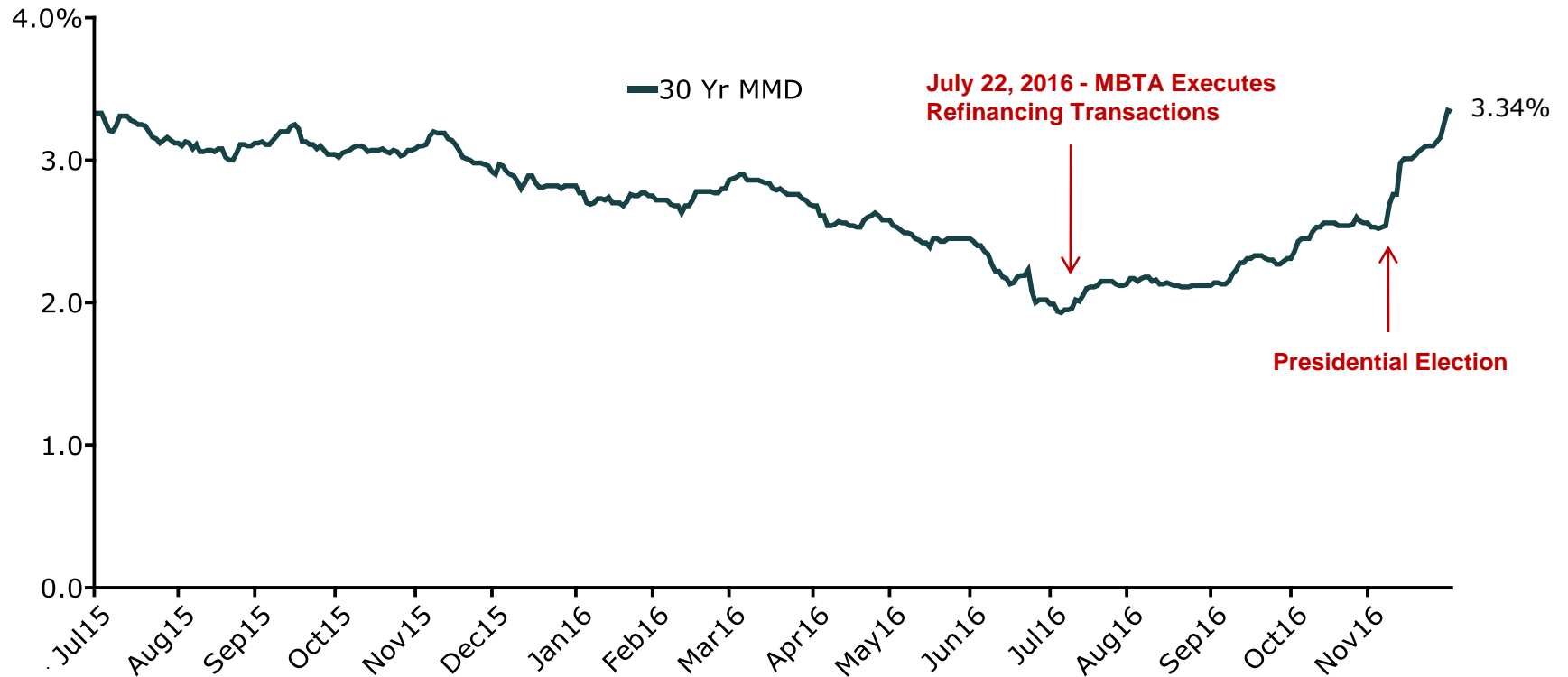
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## Long Term Municipal Rates Have Increased Since the Presidential Election

### 30-Year MMD Since July 1, 2015

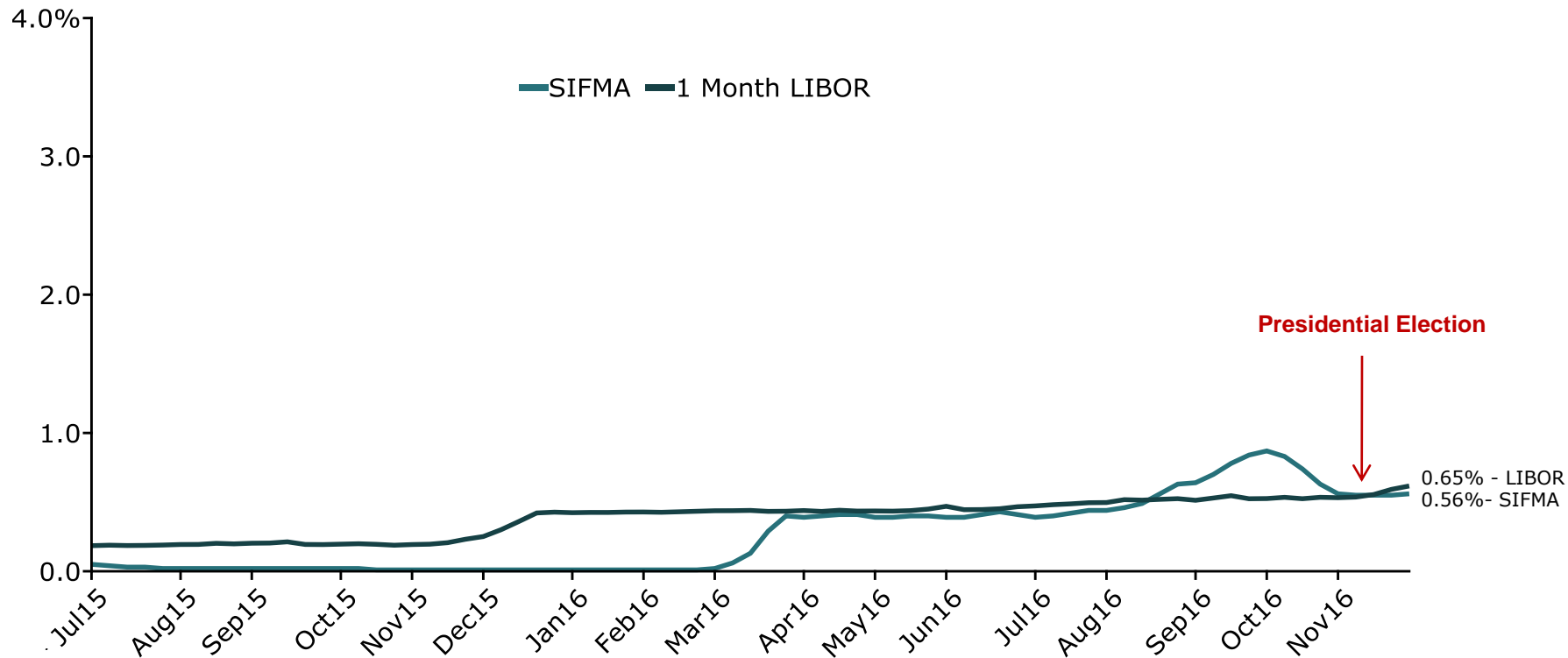






## Short Term Municipal Rates Remain Low and Have Not Moved Significantly Since the Presidential Election

### SIFMA and 1 Month Libor Since July 1, 2015





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## **MBTA Treasury: Debt Strategy Update**

### **Liquidity Facility Needs to be Renewed / Replaced**

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#### **Background**

- A liquidity facility exists for all variable rate municipal debt and provides a backstop in case debt is put back to the issuing agency
- Liquidity facility for variable rate Senior Sales Tax 2008A bonds expires in March 2017

#### **RFP to Bank Counterparties for Pricing of Two Items**

- (1) New liquidity facility to replace expiring facility and renewal rate from existing provider
- (2) Direct purchase to replace 2008A bonds entirely (new lender steps in)

#### **Potential Advantages of Direct Purchase versus New Liquidity Facility**

- Reduce borrowing costs
- Minimize future bond related expenses (liquidity facility, remarketing, etc.)
- Incorporate a more stable variable rate index than SIFMA

#### **Results of RFP**

- MBTA received 10 competitive responses from highly rated bank counterparties
  - Details of a Direct Purchase to be presented at Joint Board meeting on Dec. 12
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## MBTA Treasury: Cash Management Update

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- Treasury Department requires a comprehensive software solution to:
  - Better manage the MBTA's cash and debt portfolio
  - Forecast future liquidity needs
  - Simplify internal processes
- After an extensive survey of market-leading solutions, MBTA signed an agreement with REVAL (\$35K annual subscription fee)

### **Critical Features of REVAL**

- ✓ Bank account visibility and signatory management
  - ✓ Integration with MBTA's accounting software
  - ✓ Tracking of debt profile
  - ✓ Cash Forecasting with scenario analysis and integration of debt service payments
  - ✓ Customizable reports and dashboards
  - ✓ Short implementation timeline (to be completed January 2017)
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