



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



**MASSACHUSETTS DEPARTMENT OF TRANSPORTATION  
MEETING OF THE  
STANDING COMMITTEE ON FINANCE AND AUDIT**

March 13, 2019  
9:30 a.m.  
MassDOT  
10 Park Plaza  
Transportation Board Room  
Boston, MA 02116

**PRESENT:** Chair Betsy Taylor and Director Tim King

**OTHERS PRESENT:** David Pottier, Jim Logan, Owen Kane, Marie Breen  
and Steve Collins

**Proceedings:**

Chairperson Taylor called the meeting to order at 9:30 a.m. and opened  
with the public comment session (there were no speakers).

Next was the approval of the minutes of the February 6, 2019 meeting.

On motion duly made and seconded, it was:

**VOTED:** to approve the minutes of February 6, 2019.

Chair Taylor asked Stephen Collins, Chief of Toll Operations to present Agenda Item B, an update on All Electronic Tolling (AET). Mr. Collins said the AET program began on October 28, 2016 and for this meeting today he would be discussing leakage, or lost revenue, inherent in every AET system that needed to be minimized and constantly monitored.

Mr. Collins noted that toll revenue that remained uncollected was due to technology limitations, registered vehicle owner data limitations and patron behavior, including non-payment of invoices. Prior to the implementation of AET, MassDOT had hired Jacobs Engineering (Jacobs) to assist with developing AET toll rates and to conduct traffic and revenue projections, and Jacobs assumed 30% of revenue would not be collected. As of January 31, 2019, MassDOT estimated that of the \$43.1 collected in tolls, 20% to 40% would not be collected. Mr. Collins continued to discuss methods used to reduce leakage and noted MassDOT had six reciprocity agreements, the highest number of agreements of toll agencies. Mr. Collins concluded his presentation discussing toll revenue accounts receivable, as set forth in the attached document labeled, "All Electronic Tolling Leakage Discussion, March 2019." Discussion ensued.

Chair Taylor next asked David Pottier, Chief Financial Officer to update the Committee on the MassDOT Budget, Agenda Item C. Mr. Pottier gave an overview of the preliminary FY20 non-toll operating budget and discussed the key challenges: continued management of overtime; increasing staffing levels;

reserve balance drawn down; and historical reliance on supplemental appropriations to fully fund snow and ice.

Mr. Pottier continued to discuss FY20 budget highlights, the Commonwealth Transfer Fund, expenses and revenue. Mr. Pottier concluded his presentation discussing critical hires and snow and ice operations as of March 5, 2019, as set forth in the attached document labeled, "MassDOT FY20 Non-Toll Operating Preliminary, March 13, 2019." Discussion ensued, and Chair Taylor requested presentations on the toll budget and tracking expenses for a future meeting.

**On motion duly made seconded, it was by roll call:**

<b>Chair Betsy Taylor</b>	<b>Yes</b>
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<b>Director Tim King</b>	<b>Yes</b>
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**VOTED:** to adjourn at 10:12 a.m.

**Documents relied upon for this meeting:**

Minutes of February 6, 2019

All Electronic Tolling Leakage Discussion, March 2019

MassDOT FY20 Non-Toll Operating Preliminary, March 13, 2019