

Staff Summary Sheet Board of Directors Meeting

TO		FOR		FROM:
1	Sec./CEO		Approval	Dept.: Office of CFO Presenter: Michelle Ho Ext: 8895
			Signature	
2	BD	X	Vote	Subject: MBTA Capital Support Date: July 17, 2017
			Info	

Implications: (The implications checked below are involved in this action, are discussed below or in a separate enclosure, and have been considered in the final recommendation.)

☒ Capital Budget
 ☐ Operating Budget
 ☐ Legal
 ☐ Other

PURPOSE:

To request the Board of Directors to authorize MassDOT to execute an agreement with the Massachusetts Bay Transportation Authority (MBTA) for FY 2018 MBTA Capital Support.

TOTAL PROJECT COST: \$106,750,000 (State Bond Cap) in total has been allotted by ANF for the MBTA capital support - \$46.75 million related to the deferred third quarter FY 2017 2E transfers and the \$60 million for FY 2018 2E transfer.

DISCUSSION:

The \$46.75 million in additional funds for MBTA capital support replace a portion (three months) of the operating contract assistance that was to be provided to the MBTA from the Commonwealth Transportation Fund (CTF) revenues in FY 2017. On July 31, the MBTA's Fiscal and Management Control Board will vote to enter into an agreement with MassDOT and acknowledging the withholding of the final three months of payments in FY 2017. The Commonwealth through the ANF agrees to provide the \$46.75 million as a capital allocation to MassDOT to replace the April, May and June payments from the CTF to the MBTA. The additional \$46.75 million will be used on capital project expenditures identified by the MBTA. This funding was not originally included in the FY 2018 Capital Investment Plan (CIP) and ANF has agreed to provide the additional allotment of the \$46.75 million in bond cap to MassDOT in FY 2018.

In addition, the Commonwealth has determined that the annual operating contract assistance amount paid to the MBTA would total \$127 million (down from \$187 million) and that the \$60 million difference would be provided to the MBTA in the form of bond cap. The bond cap funds will be provided to the MassDOT as part of the annual allotment process for FY 18. MassDOT is acting as a pass through on behalf of ANF for the transfer of the bond cap to the MBTA who has allocated the bond cap funds to capital projects that will address the MBTA's state of good repair. The \$60 million in bond cap for FY 2018 was included in the FY 2018-FY2022 CIP approved by the Joint Boards on June 19, 2017.

Staff Summary Subject: MBTA Capital Support Agreement

FINANCIAL IMPACT:

The \$46,750,000 cost was not included as part of the FY 17 State Bond Cap approved by ANF for MassDOT in June 2017 but an additional allotment of bond cap in the amount of \$46,750,000 will be provided to MassDOT. The \$60 million was included in the CIP approved by the joint Boards on June 19, 2017 and there will be no financial impact.

ALTERNATIVE: N/A

RECOMMENDATION:

It is recommended that the Board of Directors approve this Agreement in order for MassDOT to provide the MBTA with funding to replace the CTF payments withheld by ANF and the FY 2018 replacement CTF transfers.

ENCLOSURES: Attachment # 1 – Agreement

RECOMMEND APPROVAL:

David W. Pottier
Chief Financial Officer

RECOMMEND APPROVAL:

John Englander
General Counsel

SECRETARY/CEO APPROVAL:

Stephanie Pollack
Secretary & CEO