

Administration and Finance (A&F) Meeting Minutes Draft Memorandum for the Record

February 29, 2024, Meeting

1:00 PM–1:42 PM, Zoom Video Conferencing Platform

Brian Kane, Chair, representing the MBTA Advisory Board

Decisions

The Administration and Finance (A&F) Committee agreed to the following:

- Approve the minutes of the meeting of September 7, 2023

Meeting Agenda

1. Introductions

See attendance on page 7.

2. Public Comments

Brad Rawson, City of Somerville, emphasized the importance of the City of Somerville's involvement in the A&F Committee due to the city's Inner Core Committee (ICC) subregion representation. B. Rawson also expressed his continued support for building and maintaining community between ICC and other subregions.

3. Action Item: Summary of September 7, 2023, meeting: Approval of this meeting summary

Documents posted to the MPO meeting calendar

1. September 7, 2023, Meeting Minutes ([pdf](#)) ([html](#))

Vote

A motion to approve the minutes of the meeting of September 7, 2023, was made by the Metropolitan Area Planning Council (MAPC) (Eric Bourassa) and seconded by the MBTA Advisory Board (Brian Kane). The motion carried.

4. State Fiscal Year (SFY) 2024 Operating Budget Update: Quarter Two—*Hiral Gandhi and Silva Ayvazyan, MPO Staff*

Hiral Gandhi, MPO staff, briefly overviewed the points of the presentation. H. Gandhi stated that the MPO is in good standing through the first half of the SFY and that the MPO's revenue and expenses are close to each other, indicating a balanced budget. H. Gandhi also stated that the overhead rate reported at the previous meeting was

higher than the overhead rate with revisions since that meeting. H. Gandhi stated that the MPO expects to ramp up its overhead expenses in the next couple of quarters, which includes performance evaluations, budget development, and recruitment and interview committee time. H. Gandhi stated that there will be a projected year-end estimate for overhead expenses in the next quarter.

H. Gandhi also stated that MPO staff have begun the process for developing the SFY 2025 Budget, which includes assessing the needs for MPO staff and making assumptions about revenue and grants in SFY 2025. H. Gandhi stated that the MPO has received preliminary numbers for 3C funding in SFY 2025, which will be presented in May 2024 and brought to the MPO board for approval in June 2024.

Silva Ayvazyan, MPO staff, spoke about SFY 2024 Quarter Two (Q2) Financials by Quarter, and presented the information displayed in Table 1.

Table 1
SFY 2024 Financials by Quarter

SFY 2024	Quarter One	Quarter Two	Total
Revenue	\$1,579,300	\$1,717,400	\$3,296,700
Expenses	\$1,559,500	\$1,682,400	\$3,241,900
Surplus/Deficit	\$19,800	\$35,000	\$54,800
Overhead	116.95%	115.99%	116.47%

S. Ayvazyan stated that the MPO ended Q1 with 116.95 percent rather than previously reported 119 percent. S. Ayvazyan also stated that there was an increase in both revenue and expenditure in Q2, compared to Q1. S. Ayvazyan stated that some of the influencing factors were the start of the federal fiscal year (FFY) and an increase in staff. S. Ayvazyan also reminded attendees that the MPO has changed its accounting practices by spreading out expenses that exceed \$10,000 to ensure that the MPO stays close to its SFY 2024 projected overhead rate of 120.30 percent.

S. Ayvazyan spoke about projected and actual revenue through Q2, which is displayed in Table 2.

Table 2
SFY 2024 Revenue through Quarter Two

Funding Source	Projected Revenue	Actual Revenue	Percentage of Actual to Projected Revenue
MPO and MassDOT- Directed PL	\$2,925,000	\$2,586,300	88%
MassDOT SPR	\$260,000	\$150,100	58%
MassDOT Other	\$86,000	\$37,200	43%
MBTA	\$329,000	\$362,900	110%
Other	\$325,000	\$101,900	31%
Total	\$3,925,000	\$3,238,400	83%

PL = Metropolitan Planning Funds. SPR = State Planning and Research.

S. Ayvazyan stated that underspending in the “Other” category was largely due to the Vision Zero Action Plan’s expenses not meeting the amount predicted. However, the MPO expects increases in the “Other” category as the work in the Vision Zero Action Plan increases.

S. Ayvazyan spoke about agency expenses, which included administrative expenses, direct labor, and direct costs. These numbers are reflected in Table 3.

Table 3
SFY 2024 Expenses through Quarter Two

Expense Source	Projected Expenses	Actual Expenses	Percentage of Actual to Projected Expenses
Administrative Expenses	\$1,825,000	\$1,536,000	84%
Direct Labor	\$1,650,000	\$1,472,000	89%
Direct Cost	\$290,000	\$55,244	19%
Total	\$3,765,000	\$3,063,644	81%

S. Ayvazyan stated that the primary reason for a higher variance in the MPO’s direct costs in Q2 is the Vision Zero Action Plan. S. Ayvazyan stated that the projected direct cost amount reflected consultant work, which is expected to ramp up as the consultants on the project are engaged in the upcoming quarters.

Discussion

Brian Kane, MBTA Advisory Board, asked about a recently advertised Finance Coordinator position within the MPO staff, and inquired about what that individual will do and how the A&F Committee can be helpful in finding the right person for that position.

H. Gandhi responded that the MPO is recruiting a Finance Coordinator to aid with accounts payable, accounts receivable, and monitoring billing. The additional position would allow S. Ayvazyan to focus on strategic-level work and upgrading the financial system.

B. Kane expressed support for recruiting additional staff members. B. Kane also asked about costs associated with upgrading the financial system, and H. Gandhi responded that the only costs would be staff costs and potential costs for hiring a third-party vendor to aid in the upgrade. However, there has not been enough testing to know if the upgrade will require a third-party vendor.

5. Executive Director Goals Update— *Tegin Teich, Executive Director Documents posted to the MPO meeting calendar*

1. Progress towards State Fiscal Year 2024 Goals ([pdf](#)) ([html](#))

Tegin Teich, executive director of the MPO staff, reiterated information from the previous presentation regarding the executive director evaluation process. In May and June of each year, the executive director's evaluation is submitted and finalized by representatives of the MPO chair, vice chair, and chair of the A&F Committee. Quarterly updates are provided to the A&F Committee to discuss the operating budget and report on progress towards goals. Goals fell into the following categories:

- Employee Experience and Retention
- Board Priorities and Experience
- Fiscal Responsibility and Opportunity
- Sector Leadership
- Strategic Plan Implementation

T. Teich spoke about each goal category with respect to recent updates in the last quarter. These updates included the following:

- Employee Experience and Retention
 - Policy: Defined employee classifications and reclassified as appropriate
 - Recruitment: One additional full-time hire
 - Community Building: New hire cohorts
 - Skill Building: Asana training videos

- Board Priorities and Experience
 - Engagement and Awareness: Annual Meeting
 - Policy: Approved Ad Hoc Memorandum of Understanding (MOU) Committee's recommendations
 - Procedure: Updated orientation presentation
- Fiscal Responsibility and Opportunity
 - Responsibility: Net surplus in first two quarters
 - Opportunity: Accessed deobligated PL funds
 - Facilities: Engaged legal support to explore leasing options
- Sector Leadership
 - National Recognition: Use of StoryMaps for Unlocking the Blue Hills study (2023 ArcGIS StoryMaps Competition finalist)
 - Enhancing Work:
 - Developing multiyear work plans and visions for MPO programs
 - Advancing themes as emphasis areas to advance long-range goals
 - Safety
 - Equity
 - Climate Resilience
 - Uncertainty
- Strategic Plan
 - Continuing to follow a roadmap of building a suite of new modeling tools
 - Exposing staff to development opportunities
 - Creating more of a hiring pipeline for the agency
 - Exploring an expansion of technical assistance activities
 - Continuing the project management working group
 - Funding web improvements

Discussion

B. Kane expressed his support for putting these goals and policies into writing and stated that this effort will set the MPO up to be stronger in the future.

Lenard Diggins, Regional Transportation Advisory Council, expressed his support for the goals and improvements presented, particularly for new modeling tools. L. Diggins asked about the timeframe for hiring a manager for the Long-Range Transportation Plan. T. Teich responded that there will be an announcement shortly.

B. Kane also expressed support for exploring building leasing options.

6. Members' Items

B. Kane suggested that the next meeting should go into executive session to discuss and get updates on a pending lawsuit.

7. Adjourn

A motion to adjourn was made by the MAPC (Eric Bourassa) and seconded by the Advisory Council (L. Diggins). The motion carried.

Attendance

Members

Representatives and Alternates

Massachusetts Department of Transportation	Raissah Kouame
MBTA Advisory Board	Brian Kane
Metropolitan Area Planning Council	Eric Bourassa
Regional Transportation Advisory Council	Lenard Diggins
MetroWest Regional Collaborative (City of Framingham)	Dennis Giombetti

Other Attendees

Affiliation

Daniel Milbrandt	City of Boston
Brad Rawson	City of Somerville
JR Frey	Town of Hingham
Walter Heller	Pare Corporation

MPO Staff/Central Transportation Planning Staff

Tegin Teich, Executive Director
Silva Ayvazyan
Annette Demchur
Hiral Gandhi
Erin Maguire
Gina Perille

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