

# Administration and Finance Committee Meeting Minutes Draft Memorandum for the Record Boston Region Metropolitan Planning Organization Meeting

**June 16, 2022, Meeting**

9:00 AM, Zoom Video Conferencing Platform

Brian Kane, Chair, representing the MBTA Advisory Board

## Decisions

The Administration and Finance Committee agreed to the following:

- Endorse the State Fiscal Year (SFY) 2023 Operating Budget for Central Transportation Planning Staff (CTPS) for final vote by the Boston Region Metropolitan Planning Organization (MPO)

## Meeting Agenda

### 1. Introductions

See attendance on page 6.

### 2. Public Comments

There were none.

### 3. Action Item: Presentation, discussion, and vote to recommend that the Boston Region Metropolitan Planning Organization approve the State Fiscal Year 2023 Operating Budget for Central Transportation Planning Staff—*Hiral Gandhi, Director, Finance and Operations*

*Documents posted to the MPO meeting calendar*

1. [SFY 2023 Requested Operating Budget Memo \(pdf\)](#)
2. [SFY 2023 Requested Operating Budget Memo \(html\)](#)
3. [SFY 2023 Revenue Projections \(html\)](#)
4. [FY 2023 Computer Plan Memo \(pdf\)](#)
5. [FY 2023 Computer Plan Memo \(html\)](#)

Tegin Teich, Executive Director of CTPS, the staff to the Boston Region MPO, highlighted that the SFY 2023 Requested Operating Budget assumes a four percent increase in revenue for the agency, which correlates with a four percent increase in expenses. In terms of revenue, CTPS anticipates a significant increase in Section 5303

planning funds coming to the MPO as part of the Bipartisan Infrastructure Law. Committee members may have previously seen a larger estimate of a 17 percent increase in funding but CTPS is assuming a four percent increase based upon a few factors, including the timing of when federal funding is received.

The federal fiscal year begins three months into the SFY 2023 operating budget, meaning that CTPS only receives a portion of the 17 percent increase in funding in SFY 2023. Secondly, federal funds will account for 80 percent of assumed revenue; so CTPS has been conservative in assumptions about other funding sources. The four percent increase is not even across all line items; some items have increased in cost, while others have decreased in cost. Some key influences on the expenses include retirements, new hires, the need for increased cyber security and the need for technology to support a hybrid model of work. CTPS is also in the second year of implementing a strategic plan, which requires investments in terms of staff time and equipment.

The next key aspect of the budget is the overhead rate. In the past three years, CTPS has been increasing its overhead rate, which represents a greater investment in the agency and employees in a healthy way. This investment is fundamental to the agency's success and to recruiting and retaining staff, which has been a challenge now given the state of the job market. CTPS now intends to stabilize the overhead rate at around 120 percent; however, to do so, it is essential to successfully recruit for quite a few positions since the direct salaries help balance other expenses.

Hiral Gandhi, Director of Finance and Operations, gave the status of the SFY 2022 budget through quarter three. CTPS had recently begun the fourth quarter, which closes on June 30, 2022. H. Gandhi presented the projected budgeted and actual revenue for SFY 2022, which showed that projections were approximately seven percent higher than the actual funding received. The funding projections from the Massachusetts Department of Transportation (MassDOT) were 50 percent higher than the actual funding received. Funding projections for MBTA contracts remained relatively close as the actual funding received. Reasons for lower MassDOT funding compared to projected fundings include staff turnover, which was due to recent retirements at CTPS and the inability to fill the positions right away. CTPS expected to have 58 full-time positions in SFY 2022, but currently there are 50 full-time staff. Some planned contracts and projects were not able to be fully worked on, and there were delays in receiving other contracts, which worked in CTPS's favor since there were not staff to complete them.

Derek Krevat, MassDOT Office of Transportation Planning, asked for clarification on the revenue projections slide and if the lower actual revenues in the brown lines were due to MassDOT contracts that were expected but never executed due to staffing.

H. Gandhi answered that the blue lines describe the projected revenues through three quarters and the brown lines describe the revenues that were received. This means that either the contract did not come through to CTPS or CTPS had task order funds in contacts such as the Statewide Planning and Research (SPR) contract that were not fully programmed.

H. Gandhi presented the SFY 2023 Operating Budget and stated that CTPS has a revenue assumption of \$6.93 million. The organization is seeing an increase in MPO funding this year, which will account for 78 percent of CTPS's annual budget. Approximately ten percent (10.6 percent) of the funding will come from MassDOT, while 10.1 percent will come from the MBTA, and 1.2 percent will come from other funding sources such as the Massachusetts Port Authority or municipalities. All details are available on the revenue projections sheet that is posted to the MPO calendar.

For operating expenses, there were major changes in funding of certain line items. There was an increase in funding for travel and transportation in line item five, which looks like a significant increase compared to SFY 2022; the SFY 2022 budget assumed less money for this line item due to the fully virtual nature of conferences and trainings. The \$25,000 for the SFY 2023 budget is restoring the budget to pre-pandemic years. For membership dues to the Association of Metropolitan Planning Organizations (AMPO), there is an increase in funding from \$9,100 in SFY 2022 to \$22,000 in SFY 2023. In the past, membership dues were paid on a biennial basis, but in 2022 AMPO changed the billing cycle to yearly. AMPO membership dues come from the direct line items, so they are directly funded by MPO funding.

Continuing to overhead expenses, recruitment, line item 22 of the SFY 2023 Requested Operating Budget table, has increased to account for CTPS's strategy to aggressively recruit for additional positions. Recruitment funding is allocated to applicants who come for interviews from out of state or to cover moving expenses when new employees are hired. Under line 23, training and professional development, the budget is increasing from \$30,000 in SFY 2022 to \$50,000 in SFY 2023. Last year, CTPS spent the entirety of the budget on all-staff training sessions.

The next significant increase is the transit subsidy, line item 24. Due to remote working conditions in the past year, the subsidy did not have to be provided. This year, CTPS will be paying out some transit subsidies, although this increase is not significant from years prior to the pandemic. Continuing to information technology (IT) equipment and IT

contracts, CTPS is investing in cyber security efforts, such as requiring multifactor authentication, buying additional software to back up data from various platforms the staff utilizes, as well as purchasing additional equipment to facilitate hybrid meetings.

This year, CTPS moved from a desktop model to a laptop model and entered year one of a three-year lease. The annual lease ranges from \$25,000 to \$30,000, depending on the size of staff. Next, travel, line item 56, is increasing from \$3,500 to \$10,000 to allow for administration staff to travel out of state for AMPO conferences and other professional development needs. As part of the operating budget, CTPS produces a five-year computer plan. In SFY 2023, CTPS plans to replace the backup system, which has a cost estimate of \$60,000. In SFY 2024, CTPS plans to buy one dedicated workstation for model runs using TransCAD software, replace two servers, and upgrade the firewall and data storage, which is estimated to cost \$64,000.

Lenard Diggins (Regional Transportation Advisory Council) asked for the details of the leased laptop contract. H. Gandhi replied that the lease encompasses 60 to 65 laptops. Approximately 15 laptops are higher powered for model runs and other demanding work tasks. The other models are standard laptops.

L. Diggins asked if the operating system was included as part of the laptop lease. H. Gandhi answered yes and said that CTPS pays for an Office 365 subscription separately.

L. Diggins asked about the differences in cost between purchasing computers versus leasing computers. H. Gandhi stated that before the lease, CTPS had a refresh program where 15 to 20 laptops were replaced every year. The costs between the refresh program and the lease are comparable over a three-year period. Additional IT costs included setting up virtual machines for staff members to facilitate remote work.

L. Diggins asked if the MPO was anticipating greater difficulty in finding applicants and how that may impact the budget. T. Teich answered that this is something that staff has been thinking about. At the beginning of the pandemic, it was easier to recruit than it is in the current job market. To improve attractiveness for applicants, the MPO now has a compensation structure that is adjusted based on inflation, but also based upon similar jobs in the market. Another factor in recruiting is the clear divide between public and private sector jobs in terms of salary range. Additionally, the MPO needs to work at recruiting from all experience levels, especially due to the recent wave of retirements.

L. Diggins asked if CTPS has considered hiring new staff who are primarily remote workers from out of state. T. Teich answered that CTPS would rely on MAPC, the fiduciary agent of the Boston Region MPO, and its policies to make decisions regarding

out of state workers. Currently, both agencies are constrained by the cost of legal and insurance infrastructure needed to retain staff who work out of state. Remote work is something that would be a huge investment in terms of maintaining and following all the laws in other states.

H. Gandhi stated that the overhead rate for SFY 2023 is projected to be 119.34 percent.

B. Kane stated that he thought the SFY 2023 Requested Operating Budget was a solid budget based upon reasonable revenue expectations and suggested a motion to approve the document.

***Vote***

A motion to endorse the SFY 2023 Operating Budget for Central Transportation Planning Staff for final vote by the Boston Region MPO board, was made by the Metropolitan Area Planning Council (Eric Bourassa) and seconded by the Regional Transportation Advisory Council (Lenard Diggins). The motion carried.

**4. Members' Items**

B. Kane announced that the A&F Committee would meet in the coming weeks to further discuss the Operations Plan. Jonathan Church, MPO staff, added that a poll would be sent out to committee members to find a date and time to meet.

**5. Adjourn**

A motion to adjourn was made by the Metropolitan Area Planning Council (Eric Bourassa). The motion carried.

## Attendance

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<b>Members</b>	<b>Representatives and Alternates</b>
MassDOT Office of Transportation Planning	Derek Krevat
MBTA Advisory Board	Brian Kane
Metropolitan Area Planning Council	Eric Bourassa
Regional Transportation Advisory Council	Lenard Diggins

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<b>Other Attendees</b>	<b>Affiliation</b>
Cassandra Ostrander	Federal Highway Administration
Jon Seward	

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### **MPO Staff/Central Transportation Planning Staff**

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Tegin Teich, Executive Director  
Silva Ayvazyan  
Logan Casey  
Jonathan Church  
Annette Demchur  
Hiral Gandhi  
Sandy Johnston  
Srilekha Murthy  
Gina Perille  
Uday Schultz

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**Title VI Specialist**

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