

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF August 26, 2005 SPECIAL MEETING

Board Members Present: Thomas Deller, Chairperson, William Kennedy, Sharon Wells, Robert Batting and James Capaldi.

Also Present: Alfred J. Moscola (General Manager), Lori Caron Silveira (General Counsel), Andrew Prescott, (Labor Counsel), Henry Kinch, Deborah Dawson, Maureen Neira, Mark Therrien, Ellen Farrell, other members of RIPTA's senior staff and the public whose names are listed on the meeting sign-in sheet.

Agenda Item 1: Approval of Minutes of July 13, 2005 and July 18, 2005 Meetings

Mr. Deller opened the meeting at 8:30 a.m. and requested comments regarding the minutes of the July 13, 2005 and July 18, 2005 meetings. Mr. Batting stated that he was not present at the July 13th meeting, and he has received telephone calls from RIPTA employees stating that management employees received raises greater than those received by bargaining unit employees. Mr. Batting questioned

the line item for wages in the FY 06 budget.

Mr. Moscola stated that nonrepresented employees received 3% raises and two managers received additional compensation for assuming additional responsibilities. He further pointed out that these increases resulted in savings to RIPTA. He advised the Board that several nonrepresented employees received step increases as well as scale increases and pointed out that these actions were consistent with the discussion held at the July 13th meeting. Mr. Batting requested that Mr. Moscola give the Board an updated schedule showing nonrepresented salaries for last year and this year.

Mr. Deller stated that the Governor authorized his nonrepresented employees to receive increases as well, and he asked Ms. Neira to include unionized employee raises in the schedule that Mr. Batting requested.

There being no further comments Mr. Deller moved on to the approval of the minutes of the July 13, 2005 and July 19, 2005 meetings. Ms. Wells made a motion that the minutes be approved as presented, and Mr. Kennedy, seconded the motion. The Board unanimously approved the minutes as presented.

Agenda Item 2: Executive Session to R.I.G.L. §§ 42-46-5(a)(2

Chairman Deller moved that the RIPTA Board convene an executive session, as noted in the agenda, pursuant to Rhode Island General Laws §§ 42-46-5(a)(2) for purposes of discussing Labor and Personnel Matters. Mr. Kennedy made a motion to convene the executive session and Mr. Batting seconded the motion. A roll call vote was taken and by unanimous vote, the executive session commenced.

Upon returning to public session Mr. Capaldi moved to seal the minutes of the executive session, pursuant to RI General Laws 42-46-4, which Mr. Batting seconded. The motion passed unanimously.

Agenda Item 3: Public Hearing/Trolley Service Adjustments

Mr. Deller moved on to Public Hearings regarding the proposed trolley service adjustments. Mark Therrien handed out a document detailing the proposed service adjustments and addressed the board.

The proposal removes two trolleys from service, changes the frequency from 15 minutes to 20 minutes and ends the service earlier in the evening. Mr. Moscola discussed the current trolley service and the cost savings that would result from these changes. Mr. Moscola expressed concern over the current fleet of trolleys, pointing out that they must remain in service until 2009 and at their current rate of

usage, they may not last. Mr. Moscola advised the Board that these changes are minor and anticipates the public hearings will go well.

A motion was made by Mr. Kennedy to approve the request to go to Public Hearings. Mr. Batting seconded the motion, which passed unanimously.

Following the vote, a lengthy Board discussion ensued regarding CNG vehicles, alternative fuel options and applying for federal funding. Mr. Capaldi noted that the DOT is also facing difficulties in this area. Mr. Batting suggested working with local universities to study the problem and help RIPTA find an alternative to CNG vehicles that would comply with federal government regulations. The Board members all supported this suggestion and asked that it be implemented as quickly as possible and that the Board be kept informed.

Agenda Items 4: FY 2006 Budget

Mr. Deller addressed the next item on the agenda, the FY 2006 budget. Mr. Batting commented that the budget is at \$82 million and his concern is that the budgeted figure for Ritecare is too high. Ms. Neira explained that each year DHS conducts a caseload estimating conference which yields the numbers of passes projected for the next year. The figure Ms. Neira received from DHS was actually higher (26,000 passes) than the figure she budgeted for (24,000 passes),

explaining that the budgeted number was based on actual month-by-month distribution from the prior year.

Mr. Capaldi stated that it seems as though RIPTA is subsidizing DHS, and it cannot continue. He went on to say that the matter must be acknowledged by the state budget office that DHS should be paying a flat rate regardless of the number of passes distributed. He further indicated that RIPTA should not be subject to the fluctuations but should receive a consistent amount and further stated that the increased cost of running service should be absorbed by DHS, not RIPTA.

Mr. Moscola responded that DHS advises RIPTA that they will purchase a number of passes, when they do not purchase at that level, RIPTA's budget is negatively impacted. The Board continued to discuss this matter, and all members were in agreement that RIPTA should address this issue.

Ms. Neira then discussed the last two pages of the analyses and the changes in the 2006 budget from the previous year such as insurance, the Gateway project, destination signs, A/C upgrades on 1992 buses and marketing of the fareboxes. The Board discussed marketing initiatives and Mr. Kinch noted that in recent years the marketing budget has been cut significantly to make up for deficits. The Board members discussed the need to market RIPTA's services, especially with the high costs of gas and parking in Providence.

Finally, Ms. Neira noted that this budget is subject to the settlement of the labor issue regarding insurance copays and the outcome of the public hearings regarding trolley service adjustments. Mr. Kennedy made a motion that the 2006 budget be approved as presented and Mr. Capaldi seconded the motion, but asked that his comments regarding subsidizing Ritecare be noted in the record. The motion passed unanimously.

Agenda Item 5: Public Comment Period

Mr. Deller requested public comments. No public comments were received.

Agenda Item 6: Adjournment

Mr. Deller moved on the to final agenda item. Mr. Capaldi moved to adjourn the meeting; Mr. Batting seconded the motion, which passed unanimously.

Respectfully submitted,

Ellen M. Farrell

Secretary to the Board