

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF APRIL 17, 2006 MEETING

Board Members Present: Thomas Deller, Chairperson; Robert Batting, Vice-Chair; William Kennedy; and Chuck Alves.

Absent: Sharon Conard-Wells

Also Present: Alfred J. Moscola (General Manager); Lori Caron Silveira (Outside General Counsel); Andrew Prescott (Outside Labor Counsel); Henry Kinch; Deborah Dawson; Maureen Neira; Mark Therrien; Annmarie McMahon and 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 March 1, 2006 Meeting

Mr. Deller requested comments regarding the minutes of the March 1, 2006 meeting. Hearing none, a motion was made for the approval of the minutes of the March 1, 2006 meeting by William Kennedy, which was seconded by Robert Batting. The Board unanimously approved the minutes as presented.

Agenda Item 2: Election of Officers of the Board of Directors

Pursuant to § 39-18-2(e) of RIPTA's Enabling Act and Article III of RIPTA's bylaws, Mr. Deller entertained nominations for the election of corporate officers. The first election concerned the Chairperson of the Board. Mr. Kennedy nominated Mr. Deller, but there was no second to that nomination. Mr. Batting suggested that the election of officers be tabled and the matter be continued until the next meeting or when more than four board members are present. The Directors agreed to table the election of officers.

Agenda Item 3: General Managers Report

Mr. Moscola reported on the cost of fuel for FY 06. The high was \$2.90 per gallon in September, and the low in February was \$1.93 resulting in an average cost of \$2.26 to date. He noted that fuel costs are rising again, and today's cost was \$2.35 per gallon.

Mr. Alves thanked RIPTA on behalf of RIDOT for the assistance with transportation to the Jamestown Bridge demolition. An additional RIDOT vehicle has been added to the fleet being serviced at RIPTA bringing the total vehicle count to 55. All of the vehicles are being maintained according to RIPTA's preventative maintenance program standards.

Mr. Moscola informed the Board that the management audit is continuing. At the present time, RIPTA has not been advised of the date for completion of the audit.

Mr. Moscola reported on the FY 07 budget deficit situation stating that the deficit is now at \$580,000, and work continues to eliminate the remainder of the deficit.

Mr. Deller asked for questions and hearing none moved on to the next agenda item.

Agenda Item 4: FY 2006 Actual & FY 2007 Budget Update

Maureen Neira reported through February 2006, the current expenses remain in budget despite the fuel increases RIPTA has been experiencing.

For the FY 07 budget, the \$3.1 million deficit reported at the March 1st meeting has been reduced to \$580,000. RIPTA continues to review every line item including Marketing, Risk Management, fuel and vacancies. She also informed the Board that there are several line items that remain unresolved, which have the potential to substantially impact the budget. Those items include the gas tax yield, which will be determined by the middle of May, the rates for health insurance and contract negotiations.

Ms. Neira indicated that the Board will be provided with an update at the May meeting, but final information will not be available until the June Board meeting.

The question of what was budgeted for fuel in the FY 07 budget was raised, and Ms. Neira responded that currently fuel is budgeted at \$2.50 per gallon.

Ms. Neira was also asked if the budget included 3% for cost of living adjustments, to which she responded in the affirmative.

Mr. Batting noted that with fuel running at \$70 a barrel, lowering the amount budgeted could present a problem. He noted that with all fuels are going through the roof; RIPTA may need to look at increasing the amount budgeted rather than decreasing it. Mr. Moscola informed the Board that he recognizes the volatility of the fuel costs and although it had started to come down, he recognizes that it can easily increase.

Mr. Batting noted that fuel was \$1.14 per gallon in FY03, increasing to \$1.27 in FY 04, \$1.75 in FY 05 with \$2.20 budgeted for the current fiscal year, and the average at \$2.27. He stated that he does not hold hope that the price will go anywhere but up, and noted that RIPTA does not pay taxes on the fuel. Mr. Kennedy indicated that he agreed with Mr. Batting on the fuel issue and suggested that RIPTA take another look at what goes into the budget.

Mr. Moscola assured the Board that the matter will continue to be monitored, pointing out that each increase of \$.10 to the fuel line item adds \$260,000 in budget expenses. He noted that the fuel matter is similar to other assumptions previously discussed and that RIPTA will continue to monitor such very closely.

Mr. Moscola informed the Board that the materials contained in the “blue package” distributed at this meeting is in response to inquiries raised by the Board. He suggested that Board Members read the information at their leisure, and to feel free to call him with questions. Staff will place any items on the May agenda if members request.

Mr. Deller continued the budget discussion stating that when the FY 07 budget was originally developed, a rate of \$2.90 per gallon was budgeted for fuel, which was then lowered a few months ago to the present rate of \$2.50. He urged RIPTA staff to continue to monitor not only the fuel but also the other budget items previously discussed.

Mr. Batting raised the issue of the Ride vans and suggested that RIPTA staff consider locating them in areas where they would be closer to the communities served. He stated that he believes that this option would be more cost effective and that RIPTA should re-consider this option. Mr. Deller asked if the Ride vehicles do pretty much the same route every day, to which Mr. Therrien responded that approximately 55% of the Ride service comes from standing orders

and the remaining 45% changes every day. He further indicated that this matter has been studied by the Planning Department and determined to be more expensive for a number of reasons. Mr. Batting requested a copy of the study and asked where the companies were located who previously ran the service that RIPTA took over.

Agenda Item 5: FTA Required Delegation of Authority for Grant Administration

Ann Marie McMahon addressed the next agenda item, FTA Required Delegation of Authority for Grant Administration. She explained that the Federal Transit Administration is in the process of updating their records, and in order to accomplish this, FTA is requiring that all grantees submit proper delegation of authority for the administration of its grants. Staff is requesting the Board grant authority to the General Manager or his/her designee for administering the FTA grant programs in accordance with federal regulations. Mr. Kennedy moved that the request be granted, and Mr. Batting seconded the motion, which passed unanimously.

Agenda Item 6: Hose and Connectors

Mr. Mencarini discussed agenda item 6, Hose and Connectors. Staff recommends the award of a one-year contract with up to four annual renewals to Bosworth Fluid Connectors of Cranston, RI. The

successful bidder will provide the Authority with hose and connectors used in the brake, air conditioning, and wheelchair lift, steering and hydraulic systems on RIPTA's revenue and non-revenue vehicles. Bosworth Fluid Connectors was the lowest, responsive, responsible bidder. Mr. Kennedy moved that the contract be awarded to Bosworth Fluid Connectors as recommended. Mr. Batting seconded the motion, which passed unanimously.

Agenda Item 7: Public Comment

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

Agenda Item 8: Executive Session Adjournment

Mr. Deller moved that RIPTA adjourn to an executive session, as noticed in the agenda, under sections § 42-46-5(a)(2) for the purposes of discussing labor matters. Mr. Batting moved to adjourn and to convene an executive session; Mr. Kennedy seconded the motion. A roll call vote was taken on the motion to convene to executive session. All Board members voted to convene the executive session.

Following the Board's return to open session, Mr. Kennedy moved to seal the executive session minutes. Mr. Alves seconded the motion, which passed unanimously.

Agenda Item 9: Adjournment

Mr. Batting moved to adjourn the meeting; Mr. Kennedy seconded the motion, which passed unanimously.

Respectfully submitted,

Annmarie McMahon

Secretary to the Board, Pro tem