

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **BOARD OF DIRECTORS**

### **MINUTES OF March 19, 2007 MEETING**

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

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

#### **Agenda Item 1: Approval of Minutes of January 22, 2007 Meeting**

**Mr. Deller opened the meeting and requested comments regarding the minutes of the January 22, 2007 meeting. Hearing none, a motion was made by William Kennedy for approval of the minutes as presented. Robert Batting seconded the motion and the minutes were unanimously approved.**

#### **Agenda Item 2: General Managers Report**

**Mr. Moscola began his general managers report for the months of**

**December 2006 and January 2007 by discussing fuel costs. The yearly high was \$2.62 in August 2006 and the low of \$1.87 occurred in January 2007. The year to date fiscal year average is \$2.16 per gallon. The fuel budget for FY 07 is \$2.60 per gallon.**

**Mr. Moscola reported that earlier in the month he attended the annual APTA Legislative Conference in Washington, DC. While at the conference he scheduled meetings with Senator Reed, Senator Whitehouse, Congressman Langevin and a staff member in Congressman Kennedy's office. The legislators were briefed on a number of topics including SAFETEA-LU, the Ride Program, new fareboxes, Ride program software, ridership, and the federal dollars allocated for transit. RIPTA did not request additional federal funding, however the legislators were advised that in the future RIPTA will need money for RIPTA's Intelligent Transportation System (ITS).**

**Mr. Moscola asked Mark Therrien to address the Board to discuss the Ride program and the impact of a new health care agency that is utilizing the Ride program for transportation purposes. Mr. Therrien began by saying that ADA ridership has increased by 10,000 trips for the period from August 2006 through January 2007 at a cost of approximately \$20 per trip. Mr. Therrien informed the Board that approximately 6,600 of these trips are attributable to the "PACE" program. He explained "PACE" stands for "Program for All Inclusive Care for Elderly". PACE is an all inclusive program covering people**

age 55 and up who are nursing home eligible. The PACE program began in July 2006 and the goal of the program is to keep people out of nursing homes. Mr. Therrien also informed the Board that when the program was introduced, RIPTA was neither involved in the discussions nor had the benefit of advance notice for planning purposes. The cost to RIPTA through February 1, 2007 for providing the transportation required by the PACE program was \$80,000, and is projected to reach \$150,000 for FY 2007. There are projections that the program could triple by 2009. To date, RIPTA has received no reimbursement for providing this service.

Mr. Therrien also informed the Board that the PACE program calls for regulations that are not currently requirements of the Ride program. RIPTA has repeatedly attempted to meet with the department who oversees the PACE program, but thus far has had no success. Mr. Therrien informed the Board that a meeting the Department of Elderly Affairs is scheduled in an attempt to resolve the matter, and if necessary a meeting will be scheduled with Lt. Governor Roberts. Mr. Deller instructed Mr. Therrien to keep the Board informed, stating that if there is money allocated for transportation of clients, RIPTA should receive it. Mr. Moscola assured the Board that RIPTA was seeking reimbursement for services rendered.

Mr. Kennedy asked if RIPTA is liable for the passengers while in transport and Mr. Therrien replied affirmatively, and stressed that many of the PACE riders have complex medical conditions who

should be transported by trained drivers in 'medicab' type vehicles. In addition, Mr. Therrien cited the overall strain on the RIPTA Ride program and informed the Board that some DEA clients are being denied medical trips due to lack of capacity. Mr. Batting asked how the PACE clients were moved in the past to which Mr. Therrien responded that such clients were not moved; they were in nursing homes. Mr. Kennedy questioned who would transport these passengers if RIPTA didn't, to which Mr. Therrien responded that the clients would either be in nursing homes or would be transported via ambulance and EMT vehicles with attendants.

Mr. Kennedy said he wished to commend the General Manager and staff for their handling of the Lincoln Park situation. Mr. Kennedy felt this was a very bad decision on the part of Lincoln Park, resulting in patrons having to walk to this facility from the bus stop. He stated that he was contacted by Almas Kalafian who asked for assistance in protesting the ban on RIPTA buses, and made a number of phone calls. He commended Mark Therrien for resolving the matter.

Mr. Deller asked if the Board had any more questions for the General Manager, and Mr. Batting raised the issue of the Transit 2020 Report discussed at the December Board meeting. He specifically addressed the increased ridership, and stated that between Ride Care and PACE, by his calculations, 70% of RIPTA riders are not paying a fare.

Mr. Deller asked if there were any additional questions for the General

**Manager and hearing none moved on to the next agenda item.**

### **Agenda Item 3: FY 2007 Budget Update**

**Maureen Neira addressed the Board to give an update on the FY 2007 Budget. She noted that passenger revenue, including Ritecare, Upass, and the Keep Eddy Moving program is up and the revenue from the gas tax yield is down. Ms. Neira continued that some expenses are currently running below budget, including fuel, insurance claims, and that wages are over budget due to an accrual entry. Tom Deller asked what fuel is budgeted at and Ms. Neira replied that fuel was budgeted at \$2.60 per gallon but RIPTA is currently paying \$2.08 with a yearly average of \$2.16. Mr. Moscola interjected that currently RIPTA is on track to finish the year within the budget recognizing that the savings noted will offset the loss of \$924,000 from the gas yield. Mr. Deller asked if there was anything that could adversely impact that and Mr. Moscola replied that changes in fuel costs or program changes in the Rite Care program could affect the FY 2007 budget. Mr. Deller asked for questions and hearing none moved on the to next agenda item.**

### **Agenda Item 4: FY 2008 Budget**

**Maureen Neira addressed the Board to discuss updates to the FY 2008 Budget since the December Board meeting and directed those present to page 2 of the staff summary. The FY 2008 budget has a**

**2.8% increase from FY 2007 which is the smallest budget increase in a number of years. She reminded the board that in December, \$7.3 million deficit had been anticipated, but said deficit has been eliminated and the budget is now balanced. She explained that the deficit was eliminated in part by deferring the funding of GASB 45. She reminded the Board that GASB 45 requires assessing the liability of post-retirement health benefits, but does not require the establishment of a trust to cover the liability. She informed the Board that the State has opted to defer the funding of the GASB 45 liability until 2009, and that by following suit, RIPTA was able to balance the budget.**

**Tom Deller asked if Ms. Neira had a sense of what the State will do in FY 2009, and Ms. Neira replied that she did not, but is watching it closely. Mr. Moscola informed the Board that the cost of creating a GASB 45 trust increases every year, and assured the Board that it will be closely monitored. Mr. Batting asked at what point will it be a requirement to fund the GASB 45 liability and if full or partial funding would be required. Ms. Neira responded that these questions have not yet been answered.**

**Mr. Moscola reminded the Board that RIPTA staff are meeting with the House Finance Committee on Tuesday, and he is pleased to be going to the meeting with a balanced budget.**

**Ms. Neira continued to discuss the FY 2008 budget, noting that the**

assumptions have not changed since November and this is the first time RIPTA has had a balanced budget before June in a number of years. Mr. Kennedy moved to accept the FY 2008 budget as presented. The motion was seconded by Mr. Batting, and passed unanimously.

#### **Agenda Item 5: IFP 07-11 FM 200 Fire Suppression System**

Mr. Mencarini discussed the staff summary discussing the supply, delivery and installation of a fire suppression system for RIPTA's computer room. The invitation to bid was issued in November and two companies submitted bids. Tower Construction submitted the lowest responsible, responsive bid for this labor intensive job that will require enclosing the computer room to suppress and suffocate fire and also tie into the existing fire alarm system. After a brief discussion, Mr. Kennedy moved to award the contract to Tower Construction and Mr. Batting seconded the motion, which passed unanimously.

#### **Agenda Item 6: RFP 07-14 Custom Imaging Services**

Roger Mencarini addressed the Board regarding agenda item 6, Custom Imaging Services. Staff recommends the award of this contract for specialized products such as banners, vehicle wraps and promotional items to be used in the Authority's marketing program to Custom Imaging Services. The award is for a one-year contract with

up to four annual renewals costing approximately \$50,000 annually. Mr. Deller inquired about the vehicle wraps and Mr. Moscola clarified that they will not cover the windows. Mr. Alves moved that the contract be awarded as recommended. Mr. Kennedy seconded the motion and it passed unanimously.

#### **Agenda Item 7: RFP 07-15 Independent Insurance Adjuster**

Mr. Mencarini then discussed agenda item 7 and informed the Board that staff recommends the award of a contract to provide independent insurance adjuster services to Vincent Pellegrino Insurance Adjusters. Pellegrino Insurance will work with the Risk Management Department to provide limited investigative services and independent appraisals pertaining to vehicular accidents and incidents involving RIPTA's transit services. Mr. Kennedy moved to award the contract to Vincent Pellegrino Insurance Adjusters. Mr. Batting seconded the motion and it passed unanimously.

#### **Agenda Item 8: RFP 07-17 Architectural Design and Engineering Services for construction of RIPTA's Paratransit Operations Center**

Roger Mencarini discussed the next staff summary for architectural design and engineering services for the construction of the paratransit operations center. The Board is requested to award a contract to Robinson Green Beretta Corporation (RGB). RGB will provide design and engineering services in connection with the

construction of the 140,090 square foot paratransit operations and support center on the 6 acres that RIPTA purchased from McKendall Lumber Company. The RFP was advertised both locally and nationally, and although the scope of work was sent to nine (9) vendors, RGB was the only bidder. Mr. Mencarini advised the Board that the Procurement Department contacted those companies which did not submit bids, and for this reason the proposed award has been submitted for Board approval as a single bid. A motion was made by Mr. Kennedy to award the contract to RGB. Mr. Deller then opened up discussion on the matter.

Mr. Deller stated that RIPTA staff had been instructed to proceed with the project once the funding was in place. Mr. Moscola replied that federal funding is in place having received such from the congressional delegations, and the rest is included in the Governor's budget. He assured the Board that all of the funding is in place. Mr. Kennedy said there have already been a number of discussions on this topic, and that RIPTA must move forward with this project before building costs go up. Mr. Batting stated that he cannot see spending over \$30 million, and it is his opinion that RIPTA should step back and reconsider whether it makes sense to build a shed to cover buses with rooftop parking and a few offices. Mr. Moscola noted that the Governor and the Congressional leaders fully support the project and that it is much more than a shed or bus storage; it is a whole transportation complex. He explained to the Board the problems encountered with the fleet when the temperature gets below freezing,

**citing that it is very difficult to make service.**

**Mr. Moscola continued that if RIPTA does not use the federal money allocated, it could be taken away and allocated to another state. He also cautioned that if the project does not move forward, the current cost of a \$32 million project could increase to \$50 million or more since the cost of construction materials keeps going up. Mr. Deller noted that the last time the Board discussed the matter; staff was directed to do minimal work to secure the property until the funding for the construction was in place. He reminded the Board that this was Director Capaldi's idea and continued on to say that since the funding is now in place, RIPTA should move forward with the project.**

**Mr. Deller reminded the Board that there is a motion on the floor made by Mr. Kennedy for approval. He asked for a second and Chuck Alves seconded the motion. Mr. Deller called for a vote and asked for those in favor to respond by saying aye. Three members, C. Alves, W. Kennedy and T. Deller voted in the affirmative and Mr. Batting cast a nay vote in opposition to the motion. The motion to award the contract to RGB to provide architectural design and engineering services for the McKendall property passed with a vote of 3 to 1.**

#### **Agenda Item 9: IFP 07-16 Unleaded Gasoline**

**Mr. Mencarini discussed the staff summary for the supply and delivery of unleaded gasoline. Staff recommends awarding the**

**contract to Dennis K. Burke, Inc. for the supply and delivery of unleaded gasoline, which is used in most of RIPTA's non-revenue vehicles. Mr. Mencarini stated that of the two respondents, Dennis K. Burke had the best price. Mr. Deller asked the length of the contract and Mr. Mencarini replied it is a one-year contract with up to four annual renewal options. Mr. Kennedy moved to award the contract to Dennis K. Burke as recommended. Mr. Batting seconded the motion and it passed unanimously.**

### **Agenda Item 10: Property Insurance Coverage**

**Mr. Mencarini discussed the staff summary for RIPTA's general property insurance. Mr. Mencarini said this is a recurring procurement and this year's price represents a 6% decrease. The policy covers all buildings, contents, computer equipment, dispatch equipment and mechanical breakdown for all risks such as fire, storms, hail, earthquakes, water damage, etc. Staff recommends the award of the contract to RIPTA's current provider Beacon Insurance Company. Mr. Kennedy moved to award the contract to Beacon Insurance Company and Mr. Batting seconded the motion, which passed unanimously.**

### **Agenda Item 12: Public Comment**

**Mr. Deller moved ahead to agenda item 12, public comments and recognized Almas Kalafian a paratransit rider and public**

**transportation advocate. Ms. Kalafian commented on the resolution of the issue with Lincoln Park, which was discussed earlier. She stressed that the ban on buses entering Lincoln Park was unacceptable and disrespectful to seniors and the disabled. She thanked Mr. Kennedy for his assistance in getting Lincoln Park to reverse this decision.**

**Ms. Kalafian then said in her opinion the level of RIde scheduling services has deteriorated in the past 2 months and she felt this was due to scheduling employee turnover and other issues. Mr. Deller asked staff to research this situation and prepare a response to the Board. Mr. Moscola said he wished to give the Board a preliminary response, and discussed the resignation of two RIde employees. The job openings have been posted, and filling the vacancies is a priority. Mr. Moscola continued that in the interim, all RIde staff are pitching in to help with scheduling and will continue to do so until the jobs are filled and the replacements are trained. Mr. Moscola apologized for any difficulty this situation has caused, and assured the Board he will keep them informed on the situation.**

### **Agenda Item 11: Executive Session**

**Mr. Deller moved that RIPTA adjourn to an executive session, as noticed on the agenda, under section § 42-46-5(a)(2) to discuss the status of claims relating to environmental issues. Mr. Kennedy moved to adjourn and to convene an executive session; Mr. Batting**

**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. Batting seconded the motion, which passed unanimously.**

### **Agenda Item 13: Adjournment**

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

**Respectfully submitted,**

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**Ellen M. Mandly**

**Secretary to the Board**