

# **RHODE ISLAND PUBLIC TRANSIT AUTHORITY**

## **BOARD OF DIRECTORS**

### **MINUTES OF Monday, July 16, 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; Deborah Dawson; 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 June 18, 2007 Meeting**

**Mr. Deller opened the meeting and requested comments regarding the minutes of the June 18, 2007 meeting. Hearing none, a motion was made by Robert Batting for approval of the minutes as presented. William Kennedy seconded Mr. Batting's motion and the minutes were unanimously approved.**

#### **Agenda Item 2: General Manager's Report**

**The General Manager reported that the ending average price for fuel in FY 2007 was \$2.21 per gallon versus a budgeted price of \$2.60 per gallon. He continued that FY 2008 has just begun and fuel costs are rising reporting a low of \$2.45, a high of \$2.49 with an average cost at today's price of \$2.47.**

**Mr. Moscola reported that the tall ships had been in Newport on June 29th, 30th, and July 1st. He continued that the crowds numbered over ten thousand, and RIPTA did a great job in transporting the visitors.**

**The General Manager then discussed the new electronic farebox implementation. He said installation was scheduled to begin on Wednesday, July 25th and would continue through Sunday, July 29th.**

**By Monday July 30th all buses will be equipped and ready for service. Staff has been very busy with the preparations for implementation. Additionally, training on the new fareboxes has been completed for 351 operators and clerks, 14 street supervisors and 54 administrative employees.**

### **Agenda Item 3: FY 2009 Operating Budget Assumptions**

**Mr. Deller then moved on to agenda item 3 the FY 2009 Operating Budget Assumptions and Maureen Neira addressed the Board. She first discussed the General Assumptions section saying that RIPTA**

has assumed a 2% inflation rate, which is consistent with the State of Rhode Island. RIPTA intends to move forward with steady state fixed route, flex and paratransit services. Regarding revenue assumptions, she reported that RISD and Brown have joined the UPass program and pointed out to the Board that Brown had previously purchased passes at half-price, and with their inclusion in the UPass program, they will now pay for each ride. Ms. Neira said RIPTA still has not received information regarding Ritecare but the budget assumes that it will remain at \$44 for passes and the same distribution rate. The gasoline tax revenue yield is estimated at \$4.76 million per penny, and the rate of 7.25 cents has been maintained. She noted three new assumptions, the ADA reimbursement being \$2.5 million, mobility management being \$1 million and preventive maintenance being \$10.5 - \$11 million.

Regarding expenditures, Ms. Neira said that wages were increased based on contractual obligations and that four FTE's, not three as stated in the staff summary, would be added. Three of the positions were deferred from the FY 2008 budget and the fourth, a planning position, will be 100% funded by a grant. She noted that the healthcare rates provided to RIPTA by the state represent an 8.45% increase over the previous year. This increase is in part due to a GASB #45 contribution that is required. Mr. Batting asked if there was an estimate of the GASB contribution, to which Ms. Niera responded approximately \$4 - \$5 million for current retirees. Mr. Batting continued the discussion and questioned whether the

requirement mandates that RIPTA fully fund the pension plan. Ms. Neira responded that the requirements are mandated for the medical plan only. Mr. Batting asked if that meant RIPTA would continue to move forward with the pension plan under-funded. Ms. Neira responded that the pension plans are currently funded between 40 and 50%, and that RIPTA has paid for 7 years of a 30-year amortization schedule. Mr. Deller continued that at this rate, in 23 years the plans would be fully funded. Mr. Moscola interjected that the potential exists for the unfunded liability to be reduced if the investments for the plan are doing well.

Ms. Neira continued by saying an 8% increase in fuel has been assumed which includes the permanent costs of converting to low sulfur fuel. The budget assumptions also include continuing with the diesel particulate fuel and general overhaul programs.

Ms. Neira indicated to the Board that the budget was brought forth today for discussion purposes prior to translating it into the actual numbers. Finally, Ms. Neira said that there were three open items remaining, citing the gas tax yield, Ritecare and fuel costs per gallon.

She stated that the FY 2009 budget would be on the agenda of the September meeting for approval for submission to the state.

Chairman Deller said the recent audit suggested changes that would cost additional money and asked if those items were addressed with this budget. Ms. Neira responded that they were not. He then asked

if additional service to address overcrowding had been added to the budget and she responded that as proposed the FY 09 budget assumes steady state. Mr. Moscola said he and staff have been reviewing certain bus routes and hope to add some additional service in September by making adjustments. Mr. Deller recommended studying the routes with overcrowding and being ready to add additional bus service to these areas. Mr. Kennedy asked the General Manager if he intends to add additional service in the form of new routes, to which he responded that such service would be the result of enhancing existing service.

Mr. Batting brought up expenditures on oil, parts and vehicle service. Mr. Moscola said buildings and maintenance stocks a tremendous list of items and recently costs have gone up as RIPTA converts to synthetic transmission fluid, however this initial rise in cost will be offset over time by a savings as the synthetic fluid requires less frequent changes. Mr. Batting then brought up increases to fuel costs over the past several years. Mr. Moscola responded that costs have increased for not only fuel, but all petroleum products, including heating fuel and tires are also going up. Mr. Deller asked if these costs would decrease to which Mr. Moscola responded that any savings realized would be based on improved productivity.

Mr. Deller continued that the board must consider the issues raised in the audit report, and consider how to incorporate them into the budget, and also suggested that the board consider ways to expand

**service to meet the needs of the customers.**

**With the discussion concluding Mr. Deller moved on to the next agenda item.**

#### **Agenda Item 4: FY 2009 – FY 2013 Capital Budget**

**Lilly Picchione, Director of Finance, introduced herself to the Board and began discussing the next agenda item, the FY 2009 – FY 2013 Capital Budget. She started the discussion by giving an overview of the capital budget process, noting that the budget is broken into 5 parts listed in order of priority. They are: Bus/Van Replacement and Software/ITS Upgrade; Land and Buildings; Purchase and Installation of Fare Collection Equipment; and ITS Implementation.**

**Ms. Picchione began by discussing the first section on Bus/Van Replacement. RIPTA's fleet plan calls for replacement after 'useful life' of a vehicle has been exceeded, however due to RIPTA's funding issues some vehicles stay on the road longer. RIPTA anticipates making significant bus buys in the 2009 – 2013 timeframe. RIPTA received \$4 million in local match funding for the purchases. Bob Batting asked what percentage of funds received will be used for preventive maintenance and Ms. Picchione responded that the funds would be used for bus purchases. Mr. Batting then asked why flex vehicle purchases were taking priority over fixed route buses to which Ms. Picchione responded that flex vehicles are on a 5-year**

replacement schedule. Mr. Kennedy inquired about Paratransit vehicles and Ms. Picchione directed the board to section 2 of the budget, pointing out that 35 had been replaced during the current fiscal year and an additional 38 vehicles of the 135-vehicle fleet are scheduled to be replaced.

Ms. Picchione continued with her presentation highlighting the projects associated with the Software/ITS Upgrade. She indicated that some of the Routematch program expenses would be realized during this fiscal year since the program is still in the installation process. The matching funds for that program will come out of the revolving loan.

Ms. Picchione reported that the law requiring surveillance cameras on buses subject to funding has passed, and RIPTA is reviewing the cost of implementation. There is currently a demonstration project underway with a pilot camera on a bus. The cost for camera purchases has been scheduled in the 2009 budget.

Mr. Batting brought up the Abrams audit report stating that the peer and performance review on paratransit services (contained on page 60 of the report) shows that miles driven, service hours, and costs for paratransit have increased, but ridership has not changed. He continued that the audit reports tremendous growth in the areas supporting moving the people, but the numbers of people moved remains stable. Mark Therrien explained that when the State of

Rhode Island issued the RFP for service providers, the service model was changed, and resulted in the creation of more service hours. He continued that the model created is very expensive to operate, stating that RIPTA disagreed with the changes from the beginning, but was not allowed to be involved in the process. He continued that hopefully the model can be changed in the next bid so that trips can be combined, and the program becomes less expensive. Mr. Kennedy agrees that the program was expanded after the RFP. Mr. Moscola informed the Board that the Governor has re-activated the Paratransit Task Force and RIPTA plans to meet with them about these issues. He added that staff will review the issues raised by Mr. Batting from the audit report and the Board will be provided with a detailed response.

Mr. Deller asked for clarification of the RFP issue and Henry Kinch responded that the old RFP called for door to door service and now the drivers are required to walk the passengers off the bus and into the house which takes up a lot more time. Mr. Moscola added that the RFP was for a 5 year time period, which is almost up. Mark Therrien said he did a presentation for the Paratransit Task Force on this issue and offered to make the same presentation to the Board. Mr. Deller said that it is necessary to understand the process in order to control the costs and he would like to see that presentation on the agenda for the next board meeting.

Ms. Picchione continued with her presentation, explaining that the

section for land and buildings includes the following components: Elmwood bus complex expansion – paratransit operations & support center; security enhancements – Elmwood facility; transit hubs/park and ride facilities; Newport bus wash replacement; and Kennedy Plaza repaving. She discussed the funding for the construction of the new Elmwood facility, and noted that some funding was moved from 2007 to 2008. Mr. Batting said that the board has not yet approved the construction of the Elmwood facility. He continued that it was his understanding that this project was moved forward on the basis of the board reconsidering the construction. Henry Kinch stated that the Board has been provided with a study that addressed all of the questions raised, and that the audit recommended that RIPTA move forward with the building because the current facility is undersized.

Ms. Picchione then discussed transit enhancement and discussed the five individual areas of the project that includes fire suppression systems and security consultants. She then described the efare project and the ITS enhancements which allows RIPTA to monitor real time performance, receive improved data and provides automated ADA announcements. After discussing the funding for these projects she concluded by saying this is a 5-year plan and may change over time, however it needs approval by the Board today so that it can be submitted to the state budget office. A motion was made to approve the capital budget as presented by Mr. Kennedy. The motion was seconded by Mr. Batting who indicated that he was seconding it with the provision that it is not to be construed as a carte blanche. He

continued that it would be his expectation that each line item is brought before the board before they commence. Mr. Deller said he does not agree with Mr. Batting and believes it is not necessary for the board to re-examine each and every item. The motion to approve the capital budget as presented, passed unanimously.

#### **Agenda Item 5: RFP 07-18 Security Consultant (revised)**

Mr. Deller moved on to the next agenda item for the security consultant that had been tabled at the previous meeting. Mr. Mencarini said several board members had asked for additional information regarding this RFP. As Mr. Alves was not present at the last meeting Mr. Mencarini asked if Director Williams had briefed him and Mr. Alves responded that he had. Mr. Mencarini compiled additional information which was distributed to the Board members and noted the highlighted section regarding a mandate requiring that 1% of all federal funding be used for security projects. Mr. Mencarini continued that RIPTA does not have the in-house expertise to address security concerns, therefore it is necessary to hire a consultant to assist RIPTA with the identification of a security plan. RIPTA received 9 bids in response to the RFP, and of the 9, there were a number who demonstrated a lack of understanding of the scope of the RFP. After conducting several procurement committee meetings to review the bids, staff recommends Transportation Resource Associates. Mr. Moscola added that since 9/11, federal security measures have changed and it is RIPTA's responsibility to

protect the investment made by the FTA. Consequently it is necessary to hire the right firm to advise RIPTA on how to proceed.

Mr. Batting commented that spending \$280,000 to bring in an outside security consultant doesn't indicate what the total cost of security will be down the road. He suggested conducting a peer review for advice on security enhancements. Mr. Kennedy disagreed with Mr. Batting's assessment and said the security procurement is a necessary and legitimate cost. Mr. Moscola responded that he is a very frugal administrator and would never spend money needlessly, however the security consultant is necessary to ensure that RIPTA makes prudent decisions regarding a security plan. He continued that the consultant's recommendations would be brought to the board. Mr. Batting inquired as to whether other transit properties had been consulted, to which Mr. Moscola responded that several properties had been contacted, and RIPTA received some valuable information, but wanted to point out to the board that all properties are different. Mr. Deller asked for the scope of work to which Mr. Mencarini replied the consultant would access RIPTA's facilities, current security and make recommendations for improvements. Mr. Batting asked if the consultants had done any work for Abrams and Mr. Moscola replied he did not know. Mr. Mencarini said the consultant has a great deal of expertise and reference checks had been conducted. Mr. Deller stated that sometimes either too much, or too little money is spent on security and cited the new Providence Public Safety Complex. He noted that RIPTA has a large campus and

it is necessary to address security issues sooner rather than later. Mr. Deller gave his support to the project. Mr. Kennedy said that experts are expensive, but this is money well spent and voiced his support also. Mr. Deller stated that staff is looking for a motion to award a contract for security consultant services to Transportation Resource Associates. Mr. Kennedy made a motion to approve the recommendation and Mr. Alves seconded the motion. Mr. Batting voted against the motion and Mr. Deller voted in favor. The motion passed by a vote of 3 to 1 and Chairman Deller moved on to the next agenda item.

#### **Agenda Item 6: RFP 07-31 ADA Stop Announcement Monitoring (revised)**

Mr. Mencarini discussed the next staff summary for the award of a one-year contract with up to four annual renewal options with the first year of the contract at \$57,760 for ADA Stop Announcement Monitoring. This procurement was also tabled at the previous meeting as several board members requested additional information regarding the bid process and cost. First Mr. Mencarini discussed the addendum to the staff summary given to the board that detailed the hourly costs and frequency of ADA stop announcement monitoring. Mr. Mencarini added that the FTA had been consulted on the issue and it is their opinion that an independent outside contractor is more cost efficient and helps avoid lawsuits. Mr. Deller asked for questions and Mr. Batting asked how many trips per month

are monitored to which Mr. Mencarini replied 110. Mr. Therrien added that 1% of all trips made per year are monitored and Mr. Moscola said that each driver is monitored 3 times per year. Mr. Batting noted that RIPTA is currently achieving a compliance rate of 70%, and this amount of money to monitor announcements seems excessive compared to monitoring with in house personnel. Mr. Moscola reminded the board that the ADA law mandates 100% compliance and that the 70% RIPTA has achieved has taken hard work and outside monitoring. He said if RIPTA were to hire personnel to monitor announcements those employees would be recognized immediately. Mr. Batting asked how many years the monitoring program has been in place and Mr. Moscola replied that the program began in February 2002. Stephen Farrell, President of ATU, interjected from the floor that in his opinion if this procurement is not approved, announcements could drop significantly overnight. Mr. Kennedy commented that the Authority and Union are in agreement on this issue and he made a motion to approve the recommendation to award the contract to Clareco of Coventry as recommended by staff. Mr. Alves seconded the motion, Mr. Batting voted against the motion and Mr. Deller voted in favor. The motion passed by a vote of 3 to 1 and Mr. Deller moved on to the next agenda item.

## **Agenda Item 7: Public Comment**

**Mr. Deller requested public comments and recognized Lisa Reals**

from the People's Assembly Social Justice Group. Ms. Reals said she was a representative from the group that had sent RIPTA a resolution signed by Representatives Diaz, Almeida and Slater, which seeks to declare December 1st as Rosa Parks Day. She asked the Board members for their support of this initiative, which would make public transportation free on December 1st each year in honor of Rosa Parks. Mr. Kennedy expressed his support saying Rosa Parks was a great American. Mr. Deller noted that this item would have to be noticed on the Board agenda before the Board could take action and asked that it be put on the September agenda. Mr. Moscola said he would see that the resolution for Rosa Parks Day is on the agenda for the next Board meeting. Hearing no further comments Mr. Deller moved on to the next agenda item.

#### **Agenda Item 8: Executive Session**

Mr. Deller moved that RIPTA adjourn to an executive session, as noticed on the agenda, under section § 42-46-5(a)(2) for the purpose of discussing a claims matter. 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. Batting moved to seal the executive session minutes. Mr. Alves seconded the motion, which passed unanimously.

## **Agenda Item 9: Adjournment**

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

**Respectfully submitted,**

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**Ellen M. Mandly**

**Secretary to the Board**