

RHODE ISLAND PUBLIC TRANSIT AUTHORITY

BOARD OF DIRECTORS

MINUTES OF Monday, April 7, 2008 MEETING

Board Members Present: Thomas Deller, Chairperson; Robert Batting, Vice-Chair; DOT Director Michael Lewis, Chuck Alves, William Kennedy; John MacDonald; and John Rupp.

Also Present: Alfred J. Moscola (General Manager); Lori Caron Silveira and Richard Licht (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 February 25, 2008 Meeting

Mr. Deller opened the meeting at 1:45 p.m. and requested comments regarding the minutes of the February 25, 2008 meeting. Hearing none, a motion was made by Mr. Kennedy for approval of the minutes as presented. Mr. Rupp seconded Mr. Kennedy's motion and the minutes were unanimously approved.

Mr. Kennedy mentioned that he had received disturbing phone calls from paratransit program participants who had experienced difficulties due to the implementation of the new route mapping software the previous week. Mr. Deller asked that Mr. Kennedy discuss this issue during the public comment and Mr. Kennedy agreed.

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

Mr. Deller addressed the election of officers and asked RIPTA's counsel Richard Licht for a legal opinion on the matter. Mr. Licht referenced Article 3 section 2 of RIPTA's bylaws, which states RIPTA "shall" elect officers of the Board at the first meeting in April annually. Mr. Licht continued that Article 39-18-2 (F) clearly states that four Board members constitute a quorum and that the votes of the majority of the quorum would prevail. He continued it is his opinion that the Board has a duty to go forward and elect officers.

Board member John Rupp disagreed with Mr. Licht's opinion stating that his literal interpretation of the by-laws requires that the election of officers take place at the first "regularly scheduled" meeting in April. He continued that the current meeting was in fact a meeting that had been rescheduled, and therefore the election should be held on the date the meeting was originally scheduled which is April 21st. He added that there are still unconfirmed and absent Board members, and he feels that all Board members should be present at the meeting

where the election of officers is scheduled in order to have an effective and informed election. He further stated that a little more time would be valuable to the new members.

Mr. Batting voiced his agreement with Mr. Rupp's interpretation, and stated that he would prefer to have the election scheduled for the April 21st meeting, which is the date originally scheduled for the April Board meeting. Mr. Batting continued that in his opinion, today's meeting was in fact the March meeting, originally scheduled for March 17th which was deferred by the request of a Board Member, and then again deferred until the current date. Mr. Kennedy disagreed with Messers Batting and Rupp stating that it is his opinion that the current meeting is in fact the "first" Board meeting in April, and the election should be held as planned. He added that it is not uncommon for RIPTA Board meeting dates to be changed to accommodate the busy schedules of the members. Mr. Rupp again stated that it is his opinion that having an election at the meeting would disenfranchise new and unconfirmed members, and that today's meeting was the March meeting. Mr. Kennedy disagreed noting the lengthy period it took to get the current new members appointments confirmed by the Senate.

RIPTA's Outside Counsel, Richard Licht disagreed with Mr. Rupp's interpretation of the by-laws and stated that it is only necessary to go outside of the document when the document is not clear, and in this case, the document is clear when it states that RIPTA "shall" hold

elections at the first Board meeting in April. He emphasized that the document does not specify that the meeting must be the “regularly” scheduled meeting. He added that just because the March and April Board meetings were combined, that does not make this a March meeting – this is the month of April, this is the first meeting of the Board of Directors this month, ergo the Board must hold elections. He advised the Board that it is inconsistent with the bylaws to skip the election of officers. Mr. Rupp maintained that it was his opinion that the current meeting was the “March” meeting, and not the April meeting.

Mr. Deller explained the events leading up to the rescheduling of today’s meeting saying a Board member asked that the March Board meeting scheduled for March 17th be changed to March 24th. Mr. Deller was not available to meet on March 24th and asked the Board secretary to query the Board members to ascertain if they were agreeable and available for a combined March/April meeting on April 7, 2008. All of the Board members were contacted and all but one member was available. Mr. Deller continued that it was his understanding that today’s meeting was a combined March and April meeting.

Mr. Licht addressed the issue of combining Board meetings by saying that Article 4, Section 2 of the RIPTA by-laws states that the Board must meet at least once each quarter and since the Board met in January and February, the quarterly requirement was met. He

clarified that there is no monthly meeting requirement, only a quarterly requirement. Mr. Kennedy added that in his opinion the language is clear and unambiguous, and based on the history and past practice, the Board should go forward with the election of officers.

Mr. Rupp said that he had made his comments with no ill intent, and could not speak to past practice, however he is in disagreement and does not believe the election should go forward. He continued that when he received the agenda with the election on it, it was his opinion that the election did not belong there. Mr. Batting stated that Board meetings should be held on the day set forth on the yearly calendar disseminated to Board members, and there should be no deviations from the published calendar.

Mr. Rupp repeated that there is a new Board member who has been nominated but is not yet confirmed, and that new Board member Ed Field was unable to attend today's meeting, and is unable to cast his vote telephonically. Mr. Licht addressed the voting by phone issue saying he personally has supported the passage of a bill that would allow for telephonic voting, however such bill has not been passed.

Mr. MacDonald clarified that permanently disabled Board members are allowed to vote telephonically. Mr. Licht again stated that the election of officers is on the agenda properly posted and noticed, a

quorum is present, and that the vote should proceed.

Mr. Deller interjected that the discussion had run its course and entertained motions. Mr. Kennedy made a motion to move forward with the election of officers. Such motion was not seconded. Mr. Rupp made a motion that the elections of officers take place at the April 21st meeting. Mr. Batting seconded Mr. Rupp's motion. Mr. Deller asked that a roll call vote be taken on Mr. Rupp's motion. A roll call vote was taken and Messers Rupp, Batting, MacDonald and Alves voted to postpone the election, while Messers Kennedy and Deller voted to proceed today. Mr. Rupp's motion passed by a vote of 4 to 2 and the election of officers was tabled.

Mr. Deller the submitted two letters he received as Board Chair the first from Representative Bruce Long regarding the new Trolley design being considered and the second from Governor Carcieri stressing the importance of completing the Comprehensive Annual Financial Review Report by June 30, 2008 and noting that no extensions will be granted. Mr. Deller signed an acknowledgement of the Governor's request and asked that Mrs. Mandly post the letter for him.

Next Mr. Deller said that both he and RIDOT Director Michael Lewis had previous commitments and unfortunately would have to leave. Mr. Deller asked Vice Chair Robert Batting to take over chairing the meeting, and Mr. Batting agreed.

Agenda Item 3: General Manager's Report

Mr. Batting asked Mr. Moscola to give the monthly General Manager's report. He began by welcoming Director Lewis, wishing him luck with his confirmation and saying he looks forward to working with him.

Next Mr. Moscola discussed fuel prices and said Mark Therrien would discuss the effect of rising fuel costs on fares later in the meeting. Mr. Moscola reported that fuel costs have been fluctuating recently, and the current fiscal year to date average per gallon is \$2.92. He said the House Finance Committee met on March 5th and Mr. Batting and Mr. MacDonald were in attendance. The Committee requested additional information, which has been forwarded to them. The Senate Finance Committee meeting has not yet been scheduled.

Mr. Batting asked that Mr. Moscola give a status report on Ritecare and the Ferry. Mr. Moscola said the status of the Ritecare transportation program has not changed since his last update, and continued summarizing the changes for the new members present. Mr. Moscola reported that anticipated changes to the Ritecare transportation program will take effect on July 1, 2008, and RIPTA still expects the changes to result in a reduction of revenue by approximately \$5 to \$7 million. He continued that the Governor's

budget maintains the current level of Ritecare funding for RIPTA through the end of FY 2009, and Mr. Batting said that the funds would be coming from someplace other than DHS and wondered where the funds would come from to make RIPTA whole. Mr. MacDonald opined that the funds would come from the general fund. Mr. Moscola continued that between June and December 2008, RIPTA would monitor the effects of the Ritecare changes on service and then come before the Board in July to discuss recommended service changes and adjustments. Mr. Moscola then distributed a document entitled “Revenue Enhancement Proposals” which he asked the Board members to review, and indicated that there would be a discussion on this topic at the next meeting. Mr. Batting pointed out that Ritecare passes represent 55% of RIPTA’s total revenue and ridership.

Next Mr. Moscola discussed the status of the Providence/Newport ferry service. He said that this season, which begins May 16th and concludes October 16th, would be the last season that RIPTA runs the ferry. He reported that Representative Jackson had submitted legislation to keep the ferry service beyond 2008. The General Manager said that unless the bill passes or some other funding source is identified, the ferry service would end as scheduled in October 2008. Mr. Kennedy asked if there was any chance that federal funds could be obtained to continue ferry operations and Mr. Moscola responded that it was unlikely. Mr. Kennedy then asked what would become of the dock RIPTA owns and the General

Manager replied that it would be sold. Mr. Alves noted that any proceeds from such sale would have to be returned to the federal government. Mr. Batting brought up the number of ferry trips reported, and said that it was his opinion that the number was inaccurate. Mr. Batting stated that he interprets the data reported as round trips to represent approximately one half or approximately 23,000 persons transported during the course of a season. Mr. Therrien explained to Mr. Batting and the other Board Members that trips are reported as one-way trips per federal definition, and that in fact every person who takes a one-way trip, may not in fact take the return trip on the ferry. Mr. Therrien continued that the number of trips reported was accurate. Mr. Batting supports the idea of a ferry and suggested that a private entity be sought to run the ferry service. Mr. Batting continued that the service is tourism related service rather than a commuter service, and Mr. MacDonald agreed with such assertion, and suggested that RIPTA seek funding from the local travel and tourism agencies.

Mr. Moscola then raised the issue of the new paratransit scheduling software program implementation. Mr. Moscola reminded the Board that in January 2007 they approved the purchase of a \$700,000 paratransit scheduling software enhancement to replace the old Mobility Master system. The old Mobility Master system was outdated, did not work well, and the company which developed the software had gone out of business leaving users with no technical support. The new software was implemented on April 1st and over

9,500 people in

the RIde database were converted to the new Route Match software. Mr. Moscola said that some glitches during the conversion were anticipated, which is the norm, however more difficulties were experienced than anticipated. On Tuesday, April 1st the phone lines were overwhelmed. Mr. Moscola reported that RIPTA responded immediately by shifting employees from other departments to assist with answering phones, and that by Wednesday had added 12 additional telephone lines to the RIde program. The new system was working better by Thursday and better still by Friday. Mr. Moscola sincerely apologized for the difficulties patrons experienced and assured the Board that he and staff are continuing to work diligently to address and correct any outstanding issues. He stated that at the current time, the system was stabilized, and no further problems were anticipated.

Mr. Kennedy elaborated on the phone calls he mentioned earlier in the meeting saying several paratransit program participants had reached out to him to discuss problems they had experienced. He continued that most of the complaints had to do with scheduling, and described a situation where an elderly women who had been transported to a doctor's appointment, was left outside of the medical office due to the fact that her arrival time was before the office

opened for the day. He continued that the woman reported that she was frightened being left to wait in an area she described as bad. The woman asked the driver to wait with her until the office opened, but the driver was unable to do so because he had other riders to transport.

Another gentleman called Mr. Kennedy to say he had to wait a very long time for his ride to come and had missed his doctor's appointment. Mr. Kennedy volunteers as a van driver for the veterans association so he understands that mistakes happen, but he feels that the situation with the Ride Program was unacceptable. He continued that the callers praised the drivers, and love the service, but were very upset about the new scheduling. He asked the General Manager to make it a top priority to correct the issues raised. Mr. Moscola apologized again for the disruption. He did want the Board to be assured that once the new system is completely stabilized, it will be worth it in the end and RIPTA hopes to save money based on more efficient schedules.

Mr. Kennedy raised the issue of demand and volume and asked if more drivers and vans could be added to better meet the needs of those served. Mr. Batting said that he too had received calls complaining about the paratransit software. Mr. Batting suggested that the General Manager do an overview of Ride Operations for the new Board members so they understand how it operates. John Rupp said software issues usually take a week or two to correct however

that does not make it excusable. He suggested that next time staff get ahead of the curve by adding additional phone lines before implementation. Mr. Moscola responded that the additional phone lines had been added within 24 hours, and that senior staff, Ride staff and the vendor were meeting daily to address problems and develop associated action plans. He also said he would do a presentation for the Board as Mr. Batting suggested.

He added that the Interactive Voice Response component of the system would be implemented in about a month and this feature will allow users to make and change appointments as well as it will automatically call riders to adjust pickup times.

Mr. Moscola concluded his report by saying both North Carolina and Tennessee are considering increasing fares due to rising fuel costs. Mr. Rupp pointed out that 3 airlines have gone under and the price of fuel is a critical issue. Mr. Kennedy noted that RIPTA's fares are comparatively low in relation to other transit systems.

Agenda Item 4: Fare Increase Public Hearings

Mr. Batting moved on to the next agenda item, a presentation by Mark Therrien on Fare Increase Public Hearings. Mr. Therrien explained that staff is requesting the Board of Directors to approve public hearings to discuss a fare increase to take effect on July 1, 2008. As

previously discussed with the Board, Mr. Therrien explained that the fare increase is intended to combat rising fuel costs. RIPTA budgeted \$2.68 per gallon for FY 2009 and to date the average fuel cost is \$2.84. Staff is required by state law to receive Board authorization to conduct public hearings in all 5 Rhode Island counties. Mr. Therrien said comments and letters received by the public would be presented to the Board following the hearings. Mr. Therrien noted the importance of the comments received from the public, saying once a fare increase was averted because of public comments. Mr. Kennedy asked how many hearings would be held and Mr. Therrien replied that 10 meetings were scheduled.

Mr. Therrien discussed the document contained in the Board package entitled "RIPTA Request for Fare Increase". He began on page 2 with the history of RIPTA fares noting that until 1998 RIPTA fares were divided by zones. In 1998, RIPTA changed the fare structure, and adopted a "one state, one rate" fare system. The change contemplated now would result in the cost per ride going from \$1.50 to \$1.75 and the monthly pass going from \$45 to \$55.

Mr. Therrien discussed RIPTA's fares in relation to the peer review included in the document, and stated that RIPTA is also proposing that the cost of a transfer be increased from \$0.10 to \$0.50. Mr. Rupp asked about the transfer volume, to which Mr. Therrien responded that approximately 21% of passengers use transfers, and the rest use passes.

Mr. Therrien addressed the question of the reasons why RIPTA was proposing to raise fares, citing the rising cost of fuel as the primary reason. He continued that fuel costs are affecting everything, and that based on the high volume of fuel consumed by RIPTA, it is impossible to keep up. Mr. Moscola added that the issue is more than simply bus fuel, stating that RIPTA cannot implement a surcharge it can only raise fares. Mr. Moscola reported to the Board a number of programs implemented to reduce fuel usage such as the state idling law, and pursuing a sprinter type vehicle for the Ride program that gets 17 – 20 miles per gallon.

Mr. Batting asked what percentage of ridership pays full fare to ride on RIPTA and Mr. Therrien responded approximately 10%. Mr. Batting stated that RIPTA should not lose sight of that data, and speculated as to why a rider should pay full fare when a Brown University professor gets a discounted UPass rate. Mr. Therrien replied that Brown University pays RIPTA to get that discounted rate. Mr. Therrien said the colleges who participate in the UPass program have contracts, and that when those contracts expire RIPTA intends to negotiate an increased rate. Mr. Rupp said he would like the Board to receive a breakdown of all fare structures. Mr. Kennedy asked when the increase would take effect and Mr. Therrien said right away. Mr. Therrien reviewed the timeline reporting that the public hearings are scheduled for May. Staff will report back to the Board with comments received at the hearings and ask the Board to vote on the

fare increase at the May 19, 2008 meeting. The fare increase would be effective July 1, 2008.

Following this discussion Mr. Batting moved to allow staff to conduct public hearings on the fare increase proposal. Mr. MacDonald seconded the motion, which passed unanimously. Mr. Rupp commended Mr. Therrien on the presentation made to the Board.

Agenda Item 5: Public Comment

Mr. Batting moved on to public comments and recognized Stephen Farrell, President and Business Agent of the Amalgamated Transit Union. Mr. Farrell welcomed the new Board members and stated that ATU hopes that a solution to continuing the ferry service will be identified. Mr. Farrell recalled being a bus driver one July driving a route to Newport when the ferry was out of service, and stated that he had to work a number of overtime hours to meet the demand. He said he supported the house bill Mr. Moscola had mentioned and encouraged the Board to do the same.

Mr. Farrell then reported that he too had received a number of phone calls regarding the new paratransit software, however his calls came from the drivers. Mr. Farrell was in constant contact with the General Manager and Ed Scott in an effort to assist. While initially the situation was bad, he noted that it has improved a great deal and is getting better each day.

Finally, Mr. Farrell stated that the ATU supports the proposed fare increases. Mr. MacDonald noted that transportation is much more costly in other places such as New York. Mr. Rupp suggested that during the public hearings, RIPTA inform the public that the increase is conservative compared to the rising cost of parking in Providence.

Mr. Rupp then asked for clarification on the next Board meeting date. Mr. Batting said that the Board schedule put out at the beginning of the year lists April 21, 2008 and it is his opinion that the next meeting should be held on that date. Mr. Rupp said he would like to see as many members as possible present at the next Board meeting, and stated that he hoped Mr. Kennedy would be present. Mr. Kennedy responded that he would not be present, and stated that based on his tenure on the Board, he would like to be present for the election of officers. Mr. Licht stated that when the full board is in attendance, a presentation must be made to them regarding the rules governing public meetings, state ethics, posting agenda items and added all board members would have to file a state ethics form.

Mr. Rupp then clarified that the opinions he offered today regarding the election and the meeting dates were not politically motivated and that apparently some members of the board received telephone calls

regarding the election of officers, but he did not.

Agenda Item 6: Adjournment

Mr. Alves moved to adjourn the meeting; Mr. Rupp seconded the motion, which passed unanimously.

Respectfully submitted,

Ellen M. Mandly

Secretary to the Board